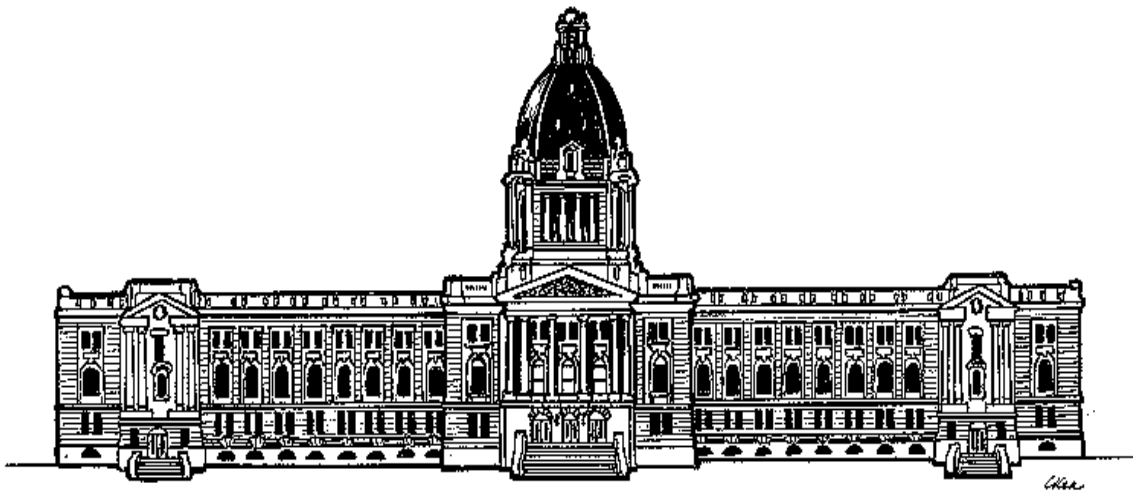




# **STANDING COMMITTEE ON THE ECONOMY**

**Hansard Verbatim Report**

**No. 54 – June 13, 2007**



**Legislative Assembly of Saskatchewan**

**Twenty-fifth Legislature**

**STANDING COMMITTEE ON THE ECONOMY  
2007**

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Mr. Lyle Stewart  
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Hon. Kevin Yates  
Regina Dewdney

[The committee met at 09:07.]

**Enquiry into the State of Internal Trade in Saskatchewan**

**Presenter: University of Saskatchewan Faculty Association**

**The Chair:** — Well since we're running a little bit behind and we seem to do that during the course of our day. It's a very full day ahead of us. I'd like to thank everyone for being present, committee members for being here. And we're going to begin right away with the University of Saskatchewan Faculty Association, Tracy Marchant as the Chair. And if you have other witnesses that want to be with you . . . All right. Well we welcome you.

I've mentioned to other presenters over the course of the hearings that if you have information that you want to be recorded in *Hansard* and audio streamed to an audience, if you would put that in your verbal remarks. We are recording for everyone the information that you bring forward in written format, and that will be distributed to all committee members and be on file as something that we use as an information base for our deliberations. And thank you very much for the time and effort to present and be here today. When you're ready to begin.

**Ms. Marchant:** — Thank you. Well I certainly thank the committee for holding these hearings. And the University of Saskatchewan Faculty Association welcomes the opportunity to present our views on the state of internal trade in Saskatchewan to your committee.

Just as a bit of a background, the USFA [University of Saskatchewan Faculty Association], the faculty association, is the legally recognized bargaining agent for approximately 1,000 full-time faculty. That's the professors, instructors, librarians, extension specialists as well as lecturers at the University of Saskatchewan.

Now in terms of TILMA's [Trade, Investment and Labour Mobility Agreement] impact, we are also the group that trains many of the regulated professions. So our members of the association deliver and organize the academic programs for nurses, teachers, engineers, dentists, veterinarians, medical staff, physical therapists, etc. So in terms of TILMA, our members have a certain interest of course in TILMA in that our analysis of the agreement, the trade agreement, is that it does exempt most certainly — oh excuse me, not exempt — it does include or bring under the umbrella of TILMA post-secondary education institutions like the University of Saskatchewan. So there'll be a number of impacts of TILMA if it is agreed to or acceded to by the provincial government that will directly impact the ability of faculty or the faculty's ability and in the delivery of educational programs as well as in our research.

Now my written brief contains much more information than I'm going to speak to, which is unusual for an academic to keep themselves to 15 minutes, but I will try to do so — or less. There's a section on the technical aspects, our analysis of some technical aspects with regard to TILMA and its application to the post-secondary education sector. So I'll leave that for your reading, and I'm sure you're much more familiar with those technical sections, but hopefully our analysis of it will provide a

new slant on that.

In considering the issues being addressed by the committee, the association has focused on the potential impact of TILMA on post-secondary education. We've concluded that at this time there are far too many risks to justify Saskatchewan's participation in the agreement. By broadly prohibiting government actions that impair or restrict trade, investment, or labour mobility with only limited exceptions and by according private parties the right to claim monetary damages for alleged violations of the agreement, TILMA could impose serious constraints on an array of legitimate measures and regulations in the post-secondary education sector.

Specifically we have identified the following risks. The labour mobility provisions of TILMA raise concerns with respect to differing education, training, licensing, and certification standards and requirements between jurisdictions. Unlike the Agreement on Internal Trade, AIT, TILMA seems to provide far less latitude for provincial governments to maintain their own licensing, certification, and registration requirements. The danger is that through harmonization and/or mutual recognition, TILMA will lead to a weakening of education and training standards because of the pressure to reconcile differences by lowering standards and requirements. And again there's a more extensive section in the written document on that particular concern.

TILMA's labour mobility rules could require employers in Saskatchewan to recognize educational credentials awarded by institutions in another province even though those institutions are not recognized or authorized to award degrees in Saskatchewan. Unlike Saskatchewan, both Alberta and British Columbia have established regulatory frameworks to grant degree-granting authority to non-public institutions.

We have concerns about the quality of many of these institutions and of the credentials conferred by those private institutions. We believe that the Saskatchewan provincial government should retain the right to accredit post-secondary institutions and set the quality standards to which those institutions must adhere. However TILMA's rules could circumvent that regulatory authority of the provincial government.

Similarly TILMA's provisions on investment could facilitate the establishment of private and for-profit universities and colleges in Saskatchewan. Such institutions already have a commercial presence in Alberta and British Columbia. If Saskatchewan was a party to the agreement, TILMA's investment rules and dispute resolution process would potentially grant these institutions the right, subject to limited reservations, to invest in the province or to seek monetary compensation if their investments are restricted. And I will expand on that aspect of my presentation.

The last area of concern that I'll raise with you from the association's perspective is TILMA's procurement provisions. While not subject to the full weight of the dispute resolution process in the agreement, the TILMA will place new burdens on university and colleges as well as other government entities. TILMA significantly lowers the current thresholds under the

AIT at which tenders for goods and services are covered by procurement rules. Buy-local provisions are prohibited, and procurement decisions based on ethical purchasing policies or other grounds may be exposed under the TILMA agreement. Again there's additional information in my written documents about that aspect.

The scope of TILMA is extremely broad, covering any legislation, regulation, standard, directive, requirement guideline, program policy, administrative practice, or other procedure adopted by governments and government entities, which include Crown corporations, municipal governments, school boards, hospitals, professional regulatory bodies, and universities and colleges.

With regard to degree recognition, accreditation, and private universities, the post-secondary education landscape in Canada has changed considerably in the past two decades. In particular the emergence of new private institutions and the awarding of degree-granting authority to colleges have raised issues with respect to quality assurance, credit transfer, and recognition of credentials.

The provinces of Alberta, British Columbia, New Brunswick, and Ontario have developed new quality assurance and accreditation regulations that permit private degree-granting institutions to operate, including for-profit institutions. For example the DeVry Institute of Technology — a for-profit, US [United States] based company — is authorized by the Alberta government to award four-year bachelor degrees in business operations, computer science information systems, and electronics engineering technology.

Similarly British Columbia has extended degree granting authority to the University of Phoenix — another, we think, US-based for-profit provider — to award Bachelor of Science and Business and well as a master's of Arts and Education and a master's of Business Administration. These are a couple of the institutions that are awarding degrees in other jurisdictions that we have some issues with or some concerns I guess with the quality of the degrees being awarded.

Article 13 of TILMA would seem to suggest that, because these institutions have been authorized to grant degrees in one province, the other parties to the agreement would have to accept the credentials of graduates as legitimate where credentials are required to perform an occupation. This would be the case even if the programs have not been formally assessed in the province of Saskatchewan and the institutions are not authorized to award degrees in the province of Saskatchewan.

TILMA would very likely facilitate the establishment of private and for-profit universities and colleges within Saskatchewan. Article 3 of TILMA requires each party to “. . . ensure that its measures do not operate or restrict or impair trade between or through the territory of the Parties, or investment or labour mobility between the Parties.” Article 5.1 requires parties to “. . . mutually recognize or otherwise reconcile their existing standards and regulations that operate to restrict or impair trade, [or] investment or labour mobility.”

If Saskatchewan were to accede to TILMA, one issue that could

arise is how the rules of TILMA would apply in the case where one of the for-profit universities operating in Alberta or British Columbia sought to establish a commercial presence in the province of Saskatchewan. Unlike Alberta or British Columbia, Saskatchewan has not to date accredited for-profit institutions nor does it have the equivalent regulatory framework the other two provinces do to assess and authorize applications from new private institutions. Part of the reason for this we assume is that Saskatchewan has chosen to maintain a public post-secondary education system.

Under TILMA's rules however, we are not certain that Saskatchewan could refuse to permit the University of Phoenix or the DeVry Institute of Technology from establishing a commercial presence in the province and offering the same degrees as in Alberta or British Columbia.

TILMA's dispute resolution measures in our view increase the likelihood of such claims being made. Building upon the Agreement on Internal Trade and NAFTA [North American Free Trade Agreement], TILMA grants persons including natural persons or an enterprise the right to claim monetary damages against parties in the case of alleged violations of the agreement. Unlike the AIT however, TILMA has no screening mechanism to weed out complaints that are frivolous or without merit. Private parties are required to exhaust all other reasonable means, but after this, a claim for damages under article 26 of TILMA can be made and a panel established. If a panel rules against a measure, an award of up to \$5 million can be made. In other words to take the case outlined above, private degree-granting universities in BC [British Columbia] and Alberta could conceivably launch complaints against Saskatchewan, if it were a party to TILMA, arguing the lack of accreditation procedures in our province in effect constitute a barrier to investment.

In our assessment of TILMA, we found that it's an exceedingly broad agreement that covers a wide range of measures adopted and enforced by governments and government entities. Despite reservations and exceptions in the agreement, we believe the measures taken with respect to post-secondary education are highly exposed.

We've identified a number of risks that TILMA could pose to post-secondary education. The agreement rules on labour mobility, we believe, could lead to a lowering of educational standards and qualifications. These rules could also require employers and authorities in Saskatchewan to recognize the credentials awarded by institutions in another party even if they are not authorized to award degrees or being accredited within our province.

TILMA's investment rules could grant these same institutions the right to establish a commercial presence in Saskatchewan. And finally the procurement rules of TILMA will cover more university and college purchasing contracts and could expose certain purchasing policies to a challenge.

The faculty association is certainly not opposed to trade, investment, or labour mobility. But given that there is no consensus over the degree and extent of interprovincial trade barriers and the economic benefits, if any, be achieved by Saskatchewan's accession to TILMA, we believe that the

Government of Saskatchewan should adopt a cautious approach. From our perspective, the risk to our ability to maintain and promote a high-quality and accessible post-secondary education system in this province simply does not justify acceding to TILMA at this time. Thank you very much.

**The Chair:** — Thank you very much for your presentation. Ms. Crofford, then Mr. Chisholm.

**Ms. Crofford:** — Well you've raised some interesting things that no one has raised yet, and after a week and a half of hearings, that's a challenge to raise something no one has raised before.

The thing that comes to mind when I'm looking at this, especially in the light of the articles that were provided, do public schools have the same kind of scrutiny for example that the university has when an accreditation team visits to see if the standards of the teaching and research at the university are at an acceptable level to be an accredited post-secondary institution? Do you know if private schools have to meet that same standard?

**Ms. Marchant:** — I can't speak on that and in particular because they're in the other jurisdictions. I'm not aware of the provisions in there. Within Saskatchewan the institutions, post-secondary institutions, are established through University of Saskatchewan Act, University of Regina Act. And those set out really the mandate and the standards.

From that point the universities become self-governing. And at the University of Saskatchewan, we have what's known as a university council composed primarily of faculty that establishes the academic programs and maintains and accredits their qualities. So if you want, we're an internally self-governing institution. So how that relates to what's going on in other institutions or other jurisdictions, again, the publicly funded universities will be self-governing. It's this external accrediting agency that will deal with the private, for-profit universities.

And from those *Vancouver Sun* articles, I raised some questions. I think there's some questions raised as to how well that accrediting process is working, certainly in BC.

**Ms. Crofford:** — Yes. There could be five- or six-year gap when people were getting degrees they weren't legitimately entitled to give.

See, so far discussions of interprovincial labour mobility have focused around equality of the training. They haven't actually focused on whether the credential was actually a real credential, nor have they focused on the qualification of the instructor or professor to be delivering the training that they're delivering. So these are new questions that you're raising here that are, I think, interesting questions for the discussion.

The other one I don't think you'll probably be able to answer because it's really more of a trade question, but I'll mention it anyway. It's the whole question of . . . There's a list of exemptions here under article 6 for legitimate objectives of having, I guess, any kind of a public policy. But what I

wondered, especially in the context of ethical purchasing and the opening up of these procurement practices, whether in fact these rules would apply to similar offences against people in other countries who may be supplying the procurement because as we know a lot of companies don't just reside in Canada. They're a branch plant of a company that could be anywhere in the world. So they may have the appearance of being a Canadian company but may not in fact be a Canadian company.

And I think that probably wouldn't be a fair question to ask you, how far the reach is of the legitimate objectives as far as ethical purchasing or anything like that.

**Ms. Marchant:** — Right. In our written submission, we raise the issue around there of yes, certainly there's public policy and the social good exemptions, but governments would have to show that there's no other way in which to achieve that trade or investment process, especially around procurement.

So for example, you know, the banning of trans fats in campus cafeterias, would one of these arbitration panels rule that a more reasonable measure would be to simply educate the public on the dangers of trans fat? And you know, so we get into . . . I heard some of the smoking in public places arguments yesterday, and I mean, I think from our perspective the fact that we can ask those questions and not have a sure answer, I think, is cause for concern at this point.

**Ms. Crofford:** — And stretching my time just a little, my final question is when your institution is recruiting, do you think there are internal labour mobility issues with credentialing?

**Ms. Marchant:** — In terms of faculty? No, there's not. We can't see that there'll be any labour mobility issues. We have no labour mobility issues that we know about.

Some of our concerns are around the credentialing issue. And again faculty and the academics are self-governing even within the institution. So for example, the collective agreement to which the association is a party, as is the board of governors, sets out the process by which faculty are hired, and the credentials are established within a collegial or a peer review process.

I wouldn't want to stretch it to the point that this is in jeopardy under TILMA, but again one doesn't know when these agreements are so broad. And we all know, you know, under sort of legal interpretations that the specifics always overrule the general. So one never knows how that takes place. But certainly from the perspective of faculty, we recruit nationally, and indeed it's an international market that we recruit, and there's no issues of labour mobility. There may be issues of labour shortages but not labour mobility.

**Ms. Crofford:** — Thank you very much.

**The Chair:** — Mr. Chisholm.

**Mr. Chisholm:** — Thank you and good morning. I'd just like to comment on your comment that indicated that TILMA has no screening mechanism to weed out complaints that are frivolous or without merit. Now in comments from the British Columbia government in response to that very issue, I'd just like to read

something here:

Frivolous complaints are unlikely for a number of reasons: emphasis is on resolution of disputes through consultations; the overall goal of the process is to obtain a correction to the subject measure, not damages; dispute panels may charge the full costs of the dispute settlement process to losing complainants (such costs will be significant in most cases); and only if a panel's recommendations are ignored can a complainant then ask that the panel be recalled to take further action. A monetary award would not be granted unless the party has failed to comply with the panel's recommendations and the damages caused by the measures have been significant.

So I just wondered if you would comment on . . . It seems that from a practical point of view, the dispute resolution system that has been set up will in fact certainly limit what are referred to as frivolous complaints, and I just wonder if I could get your reaction to that.

**Ms. Marchant:** — Well certainly one would hope that dispute resolution processes would be able to deal with those frivolous complaints in some form. But I think our concern is that there is no written mechanism, at least as I read the TILMA agreement documents, that there is no specific written mechanism for dealing with that other than those sorts of, you know, this is how . . . a promise it will operate.

The other concern about the dispute resolution panels is — as I understand it and I stand to be corrected on this — is that once a panel rules, there is no recourse for appeal, which again, you know, when one opens these things up, you don't know where they're going to go. And how would you or how would, you know, a fairly damaging ruling in error by a panel be rectified, because as I understand it, the panel's ruling are final and binding with no course for appeal. So those are some of the concerns.

And you know, when these things open up in such a broad way with such broadly worded and few specifics, one is concerned about where they will go with some imagination. So it's a fear of the unknown, but I think the fact that we can sit here and identify those in advance, based on the wording of the current TILMA agreement, I think, is where our concern comes from.

**Mr. Chisholm:** — Okay thank you.

**The Chair:** — Can I just mention, our researcher was, from the information he has, saying that the panel would award in a certain instance a certain penalty. You have then in your hand, as the one who has received that award, you take that to the court. So the person that is going to be held responsible to pay that can ask the court to review the amount, but not the process. So the process is not appealable, but the amount of damages may be. That's the only appeal mechanism there so far.

**Ms. Marchant:** — That does clarify that.

**The Chair:** — Okay thank you. Mr. Chisholm.

**Mr. Chisholm:** — We do have private, post-secondary institutions, educational institutions in the province at the

present time. Is it my understanding that they are not degree-granting institutions?

**Ms. Marchant:** — There are a number of private institutions. The only one that is authorized to grant degrees is Briercrest College, and that one is a specific exemption to that. The other ones are of course the universities — University of Regina, First Nations universities, and the University of Saskatchewan.

In terms of the other private educational institutions, they offer certificates or diplomas, so there's plenty of those specifically in business training areas, and of course SIAST [Saskatchewan Institute of Applied Science and Technology] which offers its diplomas and certificates as well. So my comments are specifically around degrees — so masters, bachelors, Ph.D.s [Doctor of Philosophy]. So that's the process that I was talking about.

**Mr. Chisholm:** — Thank you.

**The Chair:** — Mr. Stewart.

**Mr. Stewart:** — Thank you, Madam Chair. Thank you for your presentation. It was very good. But you did mention that you have a concern about standards going to the lower level. And my reading of the agreement is that the TILMA bias would be to go to the higher level of standards. Can you comment on that?

**Ms. Marchant:** — Well I mean, in terms of the process to reconcile any differences in standards, it's a negotiation, a process to be negotiated, to reconcile. And from the perspective of being involved in negotiations, one doesn't usually negotiate for higher standards. It usually comes to a lowest common denominator.

So in terms of . . . I think we use the example of the teachers' accreditations within the province of BC, and we also raised the issues around social workers' accreditations and licensing within BC. Certainly Saskatchewan has similar, in particular to the teachers, as BC. And we can't see why Alberta would agree to negotiate an additional 48 credit hours of instruction for their teachers. Some of this doesn't make sense.

So one would hope that you would engage in the negotiations that would work to raise the standards, but that's by no means certain. And often in negotiations, just generally speaking, you end up with a compromise that will come somewhere in between. So will we end up with — dare I say it? — Alberta's low standards and Saskatchewan's high standards? No, it will be somewhere in between. So Saskatchewan will lower; perhaps Alberta will raise.

So I mean it's a negotiation, and those are, you know, without setting them out in advance. And under the two-year framework to negotiate, that's an awful quick time to try and deal with all of the complexities around licensing and professional standards. So that's where our concern comes in.

**Mr. Stewart:** — Thank you for that. I understand. And I do agree with you, as a bare minimum the Government of Saskatchewan needs to proceed with caution. But in light of the fact that the Conference Board of Canada and others have said

that there would be a substantial contribution to the economy of the province if we were to enter into the TILMA agreement, do you believe that it's worthwhile if a Saskatchewan government can enter into those negotiations without having to actually sign on for a period of time? Do you think it's worthwhile for us to be there?

**Ms. Marchant:** — Certainly negotiations are always important in discussions. I mean that's how our country works as a federalism and with the provinces working. But my understanding is the Agreement on Internal Trade already has those discussions underway. So what would TILMA add to the AIT provisions? And I certainly heard from the SRNA, Saskatchewan Registered Nurses' Association about their process.

So that would be where . . . I mean I would question, is this needed? And in terms of some of the documents surrounding or the analysis of the TILMA agreement between BC and Alberta, I'm still waiting to see specific examples that will be resolved through TILMA that can't be resolved under the AIT mechanisms. Granted, you know, everything is a negotiation that takes time, but again I think there's good reason to move slowly and to consider things carefully.

So in my opinion I'm not convinced that TILMA will add anything other than a very shortened time frame, a two-year process to bring institutions like universities and its faculty under the TILMA, whereas AIT as I understand it is accomplishing that now although at a much slower and perhaps more considered pace.

**Mr. Stewart:** — Thank you.

**The Chair:** — Mr. Yates.

**Hon. Mr. Yates:** — Thank you very much, Madam Chair. My line of questioning is . . . You've embarked down the path which I would like to question as well. Currently, as you mentioned, we have the AIT. It's moving forward with issues of labour mobility, dealing with the differences in standards and expectations between provinces. And now we're faced with a regional, a new regional agreement with some potential for regional agreements between Quebec and Ontario being speculated on and the balkanization then of various agreements across Canada.

My first question is, from your point of view, which is the best approach to deal with issues that affect labour mobility, investment, and trade in Canada — a national approach or regional approaches?

**Ms. Marchant:** — Well you know my perspective or the perspective of the association is that the AIT is doing that now, so that's a national process. So I mean to answer your question bluntly, I think it's better that we all move forward as provinces rather than pitting East versus West, etc. So I'm in favour and the association's in favour of the national approach to this, such as what we heard from the Saskatchewan registered nursing association with the discussion of the professional regulatory bodies discussing this at the national level.

**Hon. Mr. Yates:** — Okay. Thank you. My next question has to

go with . . . The one thing that we have clearly found over the last two weeks of hearings is that there are probably more unanswered questions than there are answered questions. And do you believe that the Government of Saskatchewan should enter into the TILMA agreement without those questions fully answered?

I think that it's clear that both British Columbia and Alberta have entered into an agreement without knowing the final outcome of what it's going to mean for their provinces and for the people in their provinces. Do you have an opinion on that particular issue?

**Ms. Marchant:** — Certainly the association thinks we should know what we're doing, or at least some fairly clear predictions as to where these types of agreements will take us.

If we use the example of the private, US-based, for-profit universities, Saskatchewan certainly hasn't — as a government — certainly hasn't put in the accreditation processes that other provincial jurisdictions have. In my opinion, that's really a matter of public policy for governments to decide and debate. So you know, if there's a need for additional university training, which I guess I would dispute given the current enrolments capacities we have in Saskatchewan, but if that was identified here for this province, then we should surely engage in a public debate as to whether the private, for-profit university model is how we want to go.

But under TILMA, if we agree to this, it's a done a deal. That debate will not be allowed in future. It just simply becomes a matter for the panel to decide. Shall the University of Phoenix operate as a corporate entity within Saskatchewan?

So I think given all the unknowns, but given that TILMA seems to very clearly limit and explicitly limit the right of governments to set public policy and social policy, I think we should proceed exceedingly cautiously when we're taking that ability to have public debate and how we want to frame our society, using the examples of the private universities.

**Hon. Mr. Yates:** — Thank you very much. My last question has to do with students and student outcomes as of course that's what, as educators, you're most responsible for. And I guess as politicians we have in place educational institutions because we want our children to have the best possible futures and affordability and accessibility as a result of their education. Could you elaborate a little for us, if you could. I notice that part of what you handed out was some newspaper articles about a college in the province of British Columbia and some of the impact it's having on students. Could you elaborate a little bit for us what you could see as potential problems if we were to have private institutions for and less control, I guess, about the quality of the outcomes and what that means for Saskatchewan children and young people.

**Ms. Marchant:** — Certainly. You know, as somebody who teaches in a public institution, I feel accountable, in an albeit indirect way, to the Saskatchewan taxpayer for how I educate their students in my classroom. And I certainly try to achieve high standards. And hopefully the people that are overseeing my work, they haven't said I haven't achieved those at least.

In terms of the private universities, the newspaper articles certainly illustrate the problems that can be encountered, and unfortunately these are problems for foreign students. So these are foreign students that were promised degrees at these two institutions — private universities, for-profit universities — and they didn't deliver on the goods after several years and a considerable expenditure of money.

So what that does overall of course is it's unfair to the students, unfair to the people who are funding the students to come here, leaves them with nothing. But the other thing it does is undermine the credibility of even the quality public institutions. Canada internationally can gain a reputation as being a degree-mill country whereby, you know, the University of Saskatchewan, somebody sitting in another country, will they know that we're a publicly funded institution? Will they recognize that name? Or will we be like the Kingston College or Kingston university or Lansbridge University that were highlighted in those articles?

So I think there's some severe implications without proper regulation about private, for-profit universities — operated in the way in which these two were at least — about quality for students, for Canadian students, Saskatchewan students. But we also have that broader issue of what does it mean when international students, perhaps from less advantaged countries than Canada, come to Saskatchewan, potentially to get a degree and then the goods aren't delivered? I think it hurts us considerably.

**Hon. Mr. Yates:** — Thank you. Just before my next question, I'd like to correct the public record. I wasn't referring to all university students as children. I just happen to have three of my own children in university, and I'm showing my own age here. And as a parent, I have those concerns.

**Ms. Marchant:** — And for the record, I never treat my students as children.

**Hon. Mr. Yates:** — Now your answer leads to this point or this question. Today it's foreign students in British Columbia but it could just as easily be Saskatchewan young men and women who could be taken in by the same promises of accreditation by private schools.

Do you believe that if we sign this agreement that the reality is we would end up with a series of private institutions in Saskatchewan?

**Ms. Marchant:** — Our analysis is there would be no stopping them.

**Hon. Mr. Yates:** — Thank you very much. Madam Chair, that's all my questions.

**The Chair:** — Seeing no further questioners, Ms. Marchant, we thank you very much for your presentation. As has been mentioned by committee members, you've added some new thoughts to the process and we appreciate your taking the time to be here.

**Ms. Marchant:** — Thank you very much.

**Presenter: Saskatchewan Environmental Society**

**The Chair:** — Well next we have the Saskatchewan Environmental Society. I would ask Mr. Murray Hidlebaugh, who's the member at large of the board of directors, to come forward.

As we have with other presenters, we welcome you and appreciate that you've taken the time to approach our committee with your information base. We're allowing 10 to 15 minutes for overview presentation — a little longer if that's required — and open up to questions and answers from committee members.

As I mentioned to Ms. Marchant, if you would like to have something presented to a broader audience in the audio streaming process, please do that within your verbal comments and that will also be recorded on *Hansard*. But we will have in hand all of the information that you present to committee and it will be recorded as information base for us.

Thank you. And any time you're ready to begin.

**Mr. Hidlebaugh:** — Well thank you for inviting us and allowing us to be here. And I must admit that I compliment you on being able to sit through two weeks of these kinds of hearings. I don't believe I could do that.

I have a written submission that went through and was approved by the board of directors. And the oral submission, I will be sending it around because I've often been accused of not being very clear and so the written part will be relatively clear but it won't be verbatim so it'll be followed but not verbatim.

The Saskatchewan Environmental Society is a non-profit, registered charity whose mandate is to work toward a world in which needs can be met in sustainable ways and the sustainability will require healthy ecosystems, healthy livelihoods, and healthy communities.

The SES [Saskatchewan Environmental Society] has identified the TILMA as a trade agreement similar to the North American Free Trade Agreement and it includes provisions that go far beyond the existing provincial Agreement on Internal Trade, AIT. It's our intention to use the experiences of the previous two agreements to project possible outcomes if Saskatchewan signs on to the TILMA.

In the current situation in Saskatchewan the province has an energetic, creative population that has a rich history of social development based on individual involvement in various forms of local governance. The people support universal public medicare and rural development. The people support government Crown corporations that deliver a variety of essential public services, especially to rural areas, and the people support co-operative associations that blend economic development with social development while maintaining the integrity of the environment. This, we suggest, is a cornerstone of sustainable community economic development.

Local governments have shown a great deal of concern in balancing economic, social, and environmental issues in their communities. They have programs that support local business



development. They promote regional economic development initiatives that address their particular needs and assets. They are concerned that their citizens are able to meet their basic needs. The governments at both the provincial and municipal levels are concerned that economic benefits are directly transferred into becoming social benefits at the local level.

Saskatchewan has a long history of supporting smaller rural communities. From an environmental perspective, rural areas are important assets for source water protection and land management. And rural areas are important as places for people to live and work in a more place-based society as an option to living in the larger urban communities.

Scanning the examinations of TILMA by experts, I'd start with the Conference Board of Canada that was contracted by the Government of Saskatchewan to do an assessment of TILMA which wrote in its report that:

Interprovincial trade is an important part of Canada's economy. However, there has been increasing criticism regarding the trade obstacles set by the provincial and territorial jurisdictions that have impeded fair trade flows across provinces and territories, increased costs to Canadian businesses and created an inefficient internal trading market in Canada. Criticism of Canada's poor performance on internal trade was part of a recent OECD study on Canada's regulatory reform.

The Conference Board also notes a word of caution, that TILMA presents not only opportunities for the Saskatchewan economy but also contains potential risks.

Downside risks of signing the agreement include reduced legislative independence of the provincial and municipal governing bodies, lower local procurement, and the possibility of a short-term increase in provincial out-migration.

They go on to say though:

However, the majority of the private sector respondents considered these risks to be short-term or insignificant in nature and, furthermore, outweighed by the benefits brought by the agreement.

The Conference Board goes on to state:

... based on the research and analysis of the Saskatchewan economy, the Conference Board estimated an approximate dollar amount of the impact of Saskatchewan joining the TILMA to be an additional 291 million for the economy and a potential to generate 4,400 jobs.

The Conference Board inserted a caveat that "this is an estimate ... [and] it could take several years for the economy to reach a new equilibrium and realize all the gains from entering the agreement."

Questions about the credibility of the Conference Board analysis of the importance of the TILMA to the Canadian economy in general and to the Saskatchewan economy in

particular are found in a research report done by the Organization for Economic Co-operation and Development, the same OECD [Organization for Economic Co-operation and Development]. According to the report and quoted directly for the OECD research:

Canada is amongst the most 'open' of all industrial countries, both in terms of its international trade and in terms of its domestic, economic and administrative regulatory restrictiveness.

And within Canada, again according to figures from the OECD and supported by StatsCanada, Saskatchewan is currently the third most internationally export oriented province in Canada, behind Ontario and New Brunswick, and the second most open province to internal trade in Canada, behind Manitoba. Further, Saskatchewan's productivity growth rate has recently exceeded both the national and western provincial rates. This differs significantly from the Conference Board's interpretation of the OECD quoted above for the government.

John Ikerd, an economist for the University of Missouri, also puts into question the integrity of the Conference Board's assertion that "there are serious impediments to free trade." He advances some compelling arguments regarding the concept that there even can be free trade, much less that free trade has a value. He states and supports with examples and research:

... there is no assurance that free trade would be mutually beneficial to all traders or would enhance the overall quality of life of a global society. Indeed there are logical reasons to believe that free trade, as it is currently being promoted, would lead to further exploitation of the people and natural resources of the weak by the strong among nations and to further exploitation of the weak by the strong within nations.

Ikerd's position is that a philosophy that supports enabling a community to be involved in its own development is more important and sustainable than a philosophy that supports individual entitlement and the rights of private individuals over community interests. The latter is essentially the position of the TILMA proponents.

Danielle Smith, Alberta director of the Canadian Federation of Independent Business, has written that the TILMA will make it much easier for complainants to file grievances. She notes:

While this is seen as a negative by the critics, it is actually one of the agreement's greatest strengths: there is finally an enforcement mechanism with teeth.

Her contention that the emphasis on local isn't good for the local taxpayers is open for debate. The OECD in a major study found that for healthy rural development, there's a need to develop place-based policies as opposed to sectoral-based policies. Again, this contradicts both Smith's and the Conference Board's contention that increasing corporate sector control of the decision-making process at the expense of local government will be beneficial to the society.

Paul Darby from the Conference Board has stated that:

While Canada has made considerable progress in lowering tariff barriers with the implementation of the NAFTA, deep concern remains regarding our regulatory regime, which has a potential to create important non-tariff barriers.

He continues:

There are currently a very large number of barriers to trade between provinces, barriers that are found in all sectors of the economy and affect . . . goods and services. These interprovincial [trade] barriers . . . have often been justified as a means of protecting local jobs, income, public health and other provincial interests. However, in recognition of their potential to lower productivity, the Canadian federal and provincial governments have made repeated commitments to reduce barriers to the movement of people, goods, services and investment within Canada. In 1994, Canada's first ministers signed the Agreement on Internal Trade, and in 2004, the provinces and territories set up the Council of the Federation, with a priority on revitalizing internal trade through a lowering of interprovincial trade barriers.

Barry O'Neill, president of the CUPE [Canadian Union of Public Employees] BC cautions that:

In the hands of an aggressive business or industry, the TILMA is a powerful tool to undermine a government's ability to make decisions in the interests of its citizens. Key to this are the deal's investment provisions that give more rights to corporations than those found in international agreements like the NAFTA. Under the TILMA, "measures" that restrict investment are not permitted. No new standards or regulations that restrict investment are allowed.

In another review of the provisions in the AIT, Nancy Hughes Anthony, CEO [chief executive officer] of Canadian Chamber of Commerce complained, as did Darby and Smith, that the AIT established no enforceable dispute resolution mechanisms, compelled no one to act, and set no timetables for action. She thought it predictable and less than desirable that the results were also modest.

Murray Dobbin, Canadian Centre for Policy Alternatives, commenting on the AIT in relation to the TILMA counters this with a warning that:

The TILMA establishes a whole new avenue for litigation to be taken against governments. It allows private persons, as well as the parties to the agreement, to take their complaints about government to independent dispute panels. These panels are empowered to impose awards of up to \$5 million if governments violate the TILMA, even when governments are acting completely consistently with domestic law and within their constitutional authority.

He notes that:

The TILMA gives potential litigants a cornucopia of promising grounds with which to sue . . . The best route for a complainant may be to take a case under the

TILMA's "No Obstacles" article. Any kind of government act — a program, a regulation, a policy, or anything else a government does — can violate this article.

[The] . . . "No Obstacles" provision appears to set the bar very low for successful challenges against government . . . Unlike the TILMA, the AIT does not allow complainants to be awarded compensation for violations of the agreement. The AIT has a screening process — not included in the TILMA — that prevents complaints from going forward that are intended "to harass" governments. And the AIT does not apply the "No Obstacles" rule to investment as the TILMA does.

He further writes:

It is hard to think of a government regulation or program that could not fall foul of the TILMA's prohibition on obstacles to investment . . . Every service provided by local or provincial governments or Crown corporations restricts private investment in the service.

The implications of these TILMA provisions are a concern to the SES. Government regulations such as municipal restrictions on the ability of developers to knock down a heritage building, prohibiting the drainage or filling of wetlands, or prohibiting the application of pesticides would clearly impair the ability of investors to maximize the return on their property investment and therefore would be open to challenge with penalties that have teeth.

Many of the proponents of the TILMA have stated that the agreement is good because it goes beyond the AIT; it is more like the NAFTA. This is a concern to the SES. A particular concern is the investor-to-state dispute resolution clause in the NAFTA with the same provision in TILMA. This removed the AIT limitation that did not allow complainants to sue governments directly nor to be awarded compensation for violations of the agreement.

The Ethyl Corporation lawsuit is one example of how the NAFTA dispute resolution mechanism works. The Canadian parliament enacted to ban the import and interprovincial transport of an Ethyl Corporation product, the gasoline additive MMT [methylcyclopentadienyl manganese tricarbonyl], which Canada considered to be a dangerous toxin. The Ethyl Corporation successfully sued Canada under the NAFTA. The Canadian government had to pay \$13 million US and drop the ban on MMT.

Just a week later an Ontario-based company, S.D. Myers, instituted a new lawsuit using the same NAFTA position. Canada had banned the export of PCB-contaminated [polychlorinated biphenyl] waste in 1995 but revoked the ban in early 1997 after US firms announced they would challenge the law under NAFTA. Myers, a PCB treatment company, demanded an undisclosed sum for profits lost during the 15-month period of the ban.

Maude Barlow, Council of Canadians, commented, "NAFTA empowers a company to force our government to have to pay for trying to protect the environment."

The provision empowering corporations to directly sue governments in NAFTA tribunals for cash damages for any government action, sometimes called regulatory takings, allowed Myers to claim it missed opportunities to profit during the ban. It was based on the ruling that the ban constituted an illegal seizure of Myers's assets. Under NAFTA rules, Myers's complaint and any proceedings, including the negotiations with the government, are kept confidential. This is similar to article 7:4 in the TILMA.

Following up the concerns about the NAFTA provision that have enabled companies to successfully sue governments that are protecting environment, Lori Wallach, director of Public Citizen's Global Trade Watch, says:

NAFTA's critics warned that the NAFTA would have a chilling effect on public interest safeguards. This proves that corporations will use NAFTA to attack public health and environmental laws. Ethyl's and now Myers's lawsuit show that trade agreements will be used to subvert environmental goals; an occurrence that the U.S. government repeatedly denied would happen under NAFTA.

And the Canadian government is now in danger of losing a NAFTA challenge to Canada Post of 100 million launched by UPS [United Parcel Services Inc.], the American parcel delivery firm. If UPS is successful, courier rates will rise and rural areas such as in Saskatchewan will suffer. This is a prime example of sectoral-based policy replacing place-based policy.

She sums her position up by noting that:

One of TILMA's frequently quoted supporters, Todd Hirsch of the Canada West Foundation, told the Globe and Mail in November that with all its special rules and caveats, "no one really has a good handle" on the agreement.

Proponents of the TILMA state there is no need for municipalities to worry about losing their capacity to make decisions because they can invoke the legitimate objectives, Article 6.

Theresa Dust, Saskatoon's city solicitor, states that:

Writing "the legitimate objectives" for cities into TILMA is also unsatisfactory [according to Dust]. At best, legitimate objectives give cities a chance to defend themselves when challenged before a TILMA tribunal. The problem is that defense is expensive and uncertain. The safe and reasonable course for cities under TILMA is to avoid being challenged. And the way to do that, will be to do [that] what everyone else is doing, when everyone else is doing it. Cities like Saskatoon, which have a long history of doing things first and doing things differently, will be at the greatest risk of TILMA challenges.

She states that:

"Based on the information we have to date, it is equally possible to assume that TILMA cannot be adjusted to fit cities.

"It may well be that the issue which will facing cities is 'do you want TILMA or do you want local choice — or at least a protected local choice, free from the risk of TILMA challenges?'"

Saskatchewan Urban Municipal Association also passed a resolution asking that exemptions be made for municipalities concerned about the agreement. However James Grieshaber-Otto has indicated that there is no evidence of exemption options for municipalities in the TILMA, any more than there is an exemption option for provinces under the NAFTA. Also, like the NAFTA, the TILMA section on withdrawal, article 20.2 is not totally straightforward. There would likely be contractual arrangements in place, and there would be the possibility of damage cost for corporate losses that the province would be liable for if it decided to exercise the withdrawal option.

Gould writes:

"The TILMA advocates who are so sure that the agreement's 'Legitimate Objectives' provision will protect valued public policies should be challenged to name any policy that would be safe if the government had to demonstrate it had no other 'available option'."

The SES's assessment — the TILMA appears to be a trade agreement among provincial governments to transfer control of economic issues to the corporate sector. We would suggest the arguments given in the support of the TILMA are seriously flawed when assessed in the context of a society that is increasingly concerned with a triple bottom line: economic, social, and environmental considerations.

The agreement also appears to challenge the very essence of democracy. That is, it appears that TILMA will take away the sovereign right of local people to make decisions through their elected government on the issues that impact them without undue influence by external groups yielding greater power.

We also think that the TILMA totally fails to address the social and environmental aspects. In some sections, these are just excluded, and in others they are targeted for abolishment. According to the introduction in the provincial green strategy, the people of Saskatchewan truly support government initiatives in environmental and social areas. And the people support co-operative associations that blend economic development with social development while maintaining integrity to the environment. This entire economic community development option of combining local leadership with co-operative business structures will be subject to penalties with teeth. The result will be a loss of the ability of local governments to provide preferential support to local initiatives.

Another major concern with the agreement the SES thinks isn't adequately addressed is source water protection. Because the investor province will be negatively impacted in the oil and gas sector if there are any governmental controls on the use of the water and the extraction process, the result will be to treat water as a commodity as opposed to a right. Governments will be sued if they try to restrict or otherwise treat the oil industry any different from the local citizens in terms of access to water. Also a related concern is the potential for bulk water to other

parts of North America.

Under the NAFTA, water is determined to be a commodity and is open to the challenge to be exported. The TILMA, a similar trade agreement with less environmental controls, is certainly in a position to demand export rights.

Pesticide use has been increasingly linked to health problems as well as soil and water degradation. The SES has a long history of educating citizens and communities in more ecologically compatible strategies for pest control. This activity would be found to be in contravention of the TILMA. Not only would municipal governments be prevented from passing local bylaws controlling use of pesticides, but the SES would probably be sued for even advocating for nationally occurring biological controls. The results of the PCB case and the MMT case with the federal government under the NAFTA would support this concern.

The SES has been actively involved in the issues around genetically modified organisms entering the food supply. Again as is the case with pesticides, any attempt by provincial or municipal government or NGOs [non-governmental organization] to restrict the use of GMOs [genetically modified organism] would certainly be subject to legal challenge from the corporate sector, especially the large agribusiness transnational corporations. Even under present laws, there are problems for people to have control over their own destiny. Under the TILMA this, with its panel and huge fines, trying to restrict the application of GMOs would be daunting.

In the area of social services, the SES has a concern about, that TILMA control social policy to an even greater extent than the NAFTA. A major difference between the NAFTA and the TILMA is how the two agreements treat public services. Canada negotiated an exception in NAFTA to be able to adapt, to adopt or maintain any measure related to social services with education and health care specifically mentioned. While the NAFTA exception has been criticized as weak, the TILMA is even worse. And it contains exceptions only for social policy, not social services.

A related concern in the SES is that environmental standards on the provisions of TILMA will need to be reconciled with other signatories. So if the province does ever entertain the idea of raising the environmental standards, the TILMA legally obligates it to seek the opinion of other provincial governments and to take their views into consideration. In obligating provinces to harmonize their regulations, the TILMA deletes a key safeguard in the Agreement on Internal Trade which says, "The Parties shall not, through such harmonization, lower the levels of environmental protection."

SES proposes that the preponderance of evidence points to the conclusion that this agreement, if signed, will be a major concern because of its potential negative impact on the ability of duly elected people to make decisions in their communities, particularly in relation to social and environmental issues.

And there seems to be no evidence to support the position that the agreement is necessary in the first place. On the contrary, we suggest there is solid evidence that supports Ikerd's position that "... the free markets of today's capitalistic economy are no

longer capable of supporting mutually beneficial free trade."

The SES thinks that it is primarily the government's role, with the support of the local citizens, to make final decisions on the environmental and social issues that affect them. There is no evidence that this is even a concern of the corporate sector. In fact the proponents of the TILMA seem to view concern for local issues and the environment as an impediment. And finally, under no circumstances should a duly elected government be subject to lawsuits for striving to maintain a healthy and socially just society.

So we would make the following recommendations. One, the Government of Saskatchewan publicly rejects any rush to sign onto the TILMA. Number two, the Government of Saskatchewan drafts legislation requiring that in-depth research and extensive public consultation be carried out before any future government is allowed to sign trade agreements that restrict the ability of local people to make local decisions.

Three, the Government of Saskatchewan initiates contact and dialogue with all regional economic development authorities, municipal governments, regional school boards, and regional health boards to make them aware of the potential impact to them if the agreement is signed.

Number four, the Government of Saskatchewan engages in far wider-ranging public debate on the level of support for local businesses and community as opposed to philosophy of individual entitlement that advocates the TILMA support.

Number five, the Government of Saskatchewan publicly recognize the potential for negative impact on the environment and makes real attempts to educate the general public as to the implications using the NAFTA outcomes as to the challenges such an agreement will have for government trying to protect the environment from corporate challenges.

Number six, the Government of Saskatchewan, when entering into an agreement with outside parties, whether government or corporations, is committed to assessing the merits of the agreement based on maintaining the democratic rights of sovereign citizens and measuring outcomes at least equally with each sector of the triple bottom line — economic, social, and environmental.

And number seven, the Government of Saskatchewan alerts the municipal governments as well as their respective associations to let them know that there is no exclusionary section and that transitional time does not constitute exclusion. Thank you.

**The Chair:** — Well thank you very much. I can't understand people who would mention that you're not pronouncing clearly. You read quickly and clearly and got through that presentation in good order. We thank you very much for the effort and for your organization's time in presenting to us. I have a speaking order now of Mr. Weekes, Yates, and Ms. Crofford, Mr. Chisholm. Mr. Weekes.

**Mr. Weekes:** — Thank you, Madam Chair. Well thank you for your presentation. It was very interesting. At the beginning you had mentioned that there's a number of areas that should be exempted. You'd mentioned Crown corporations, and then you

alluded to municipal governments, and that's something that certainly has come up in our discussion with Mayor Fiacco to Regina. His main concern was municipalities being exempt so they're allowed to give tax abatements to encourage investment and those types of things. And of course I think in the exceptions — I won't read it all — but you know things like social policy and labour standards and codes are already listed in there, and you also mention rural economic development today as added to that list which is also in the exceptions.

The environment there is a line that is exempted in the agreement right now concerning the environment. My question . . . I guess, I guess it's obvious you would, would agree that you would . . . Well I'll ask question. Do you believe the province should, under any agreement, be allowed to look after environmental issues? And I guess to add to that question, I guess we have to define what we mean by environmental issues because I mean we're talking global warming and greenhouse effects which, you know, everyone on the planet has a hand into looking after. But I assume you're suggesting in any agreement — whether TILMA or any other agreement — that the environment should be allowed to look after any environmental concerns that it has at every level and those should be exempt from any trade agreement.

**Mr. Hidlebaugh:** — My position is that there should be no agreement, that there should be no contractual agreement that turns over one aspect of the triple bottom line to a corporate sector; that government, duly elected government and the local people should have the decision-making process. In terms of the environment, for example the corporate sector treats that as an externality in terms of their accounting procedure so actually polluting the environment is an advantage to the corporate sector.

So any agreement that says we're going to exclude, and including the environmental one which is essentially . . . all it discusses is waste management. And I didn't go into the whole area, but Vancouver's already under attack right now in terms of looking after their sewage as being privatized because it's being subsidized. And we have international things. We were in Bolivia with Cochabamba and the privatization of water. So the idea that government would turn over any of its decision-making powers . . . I think the negotiation is good.

And the other thing, I think in Saskatchewan there's no benefit to it. Saskatchewan actually right now, interprovincially we import . . . 68 per cent is interprovincial. We import 40 per cent, and we export 28 per cent, so we're already a greater importer already. So we don't need it, and we don't need to take the risk.

And I think that's the key, is under due diligence government should not be taking the risk to turn environmental issues. And also in terms of social issues, housing would be another one because that's also an environmental issue. And so social housing would be under attack as well, and that's an environmental concern.

So we don't think that the government should turn over the decision-making process on how society functions to a corporate sector.

**Mr. Weekes:** — Well that's a good point. I guess my concern

is that the world is moving. It's changing. And I just don't think Saskatchewan has an option just to sit back and say no we're, you know, going to put up barriers. We're not going to take part in any negotiations. And part of this discussion in this committee is that the possibility of entering negotiations with British Columbia and Alberta to negotiate and at the end either decide to sign on or not sign on.

And I guess my question is, my concern is we just can't sit back and have these things happen around us without taking part. And given the exceptions that are already publicly made and in the agreement and obviously you're suggesting strongly, environmental concerns should be part of that. Should we not be at the table at least to discuss these issues to protect medicare and tax abatements and new-growth tax incentives and the environment and rural development?

**Mr. Hidlebaugh:** — Yes, I would have no problem with them coming to our table because actually right now Saskatchewan's in second place in Canada and third place in the . . . second place in Canada in terms of interprovincial trade. So we're way ahead of Alberta and BC right now in terms of openness to interprovincial trade. That's the Stats Canada and the Canadian Chamber of Commerce.

Now where the Conference Board of Canada got their information, I have no idea. The stuff that was in the government thing reads like once upon a time. There's all kinds of holes in it, and so the idea that . . . I don't have a problem with governments negotiating. What I have a problem with is the way Alberta and BC contracted it over to the corporate sector. And if we follow the NAFTA agreement and the problems with the environment under the NAFTA agreement that has occurred to Canada, extrapolate that into TILMA, and I'm not even sure why the government would be interested in that. I can understand the transnational corporations being interested in it, but I can't understand government.

**Mr. Weekes:** — Just one more question. I mean, the understanding is that TILMA is an agreement to reduce barriers for trade, investment, and labour mobility. That's the basics to it. And then we have a discussion, and there's some disagreement. And we're going to be meeting with the BC and Alberta officials that actually negotiated their agreement.

But one of the concerns that has brought up, and I don't believe it's founded, but we'll certainly going to try to get to the bottom of it, is like some people suggest it's a race to the bottom for standards. I don't see that in the agreement. It seems that on a number of occasions they talk about going to a higher standard. And you're suggesting that we have higher standards — Saskatchewan, BC and Alberta. I'm hoping . . . part of what I would be doing at the table, negotiating, is that they would come up to our standards in environment and other areas, rather than us going down in standards.

**Mr. Hidlebaugh:** — At a government level, I have no problem with that. I have a big problem with the corporate sector even being at that table. They only function on regulations. They don't function on social altruism or any environmental issues. In fact corporations consider environmental standards as being an expense. So they should not be at any table discussing social policy.

**Mr. Weekes:** — Oh, that I agree.

**Mr. Hidlebaugh:** — And that's what the agreement is doing.

**Mr. Weekes:** — I mean, it's government-to-government agreement and negotiation. So there won't be other people at . . .

**Mr. Hidlebaugh:** — But not to allow the corporate sector to sue government under any reason, there should be no way that the corporate sector should be allowed to sue government for . . .

**Mr. Weekes:** — Yes, just if I may just pick up on that. I don't see that that's part of the process though. It would be the province that would . . . I mean, a corporation or a business would raise an issue with their home province and the province would take it up with the offending party, offending province if there's an offence.

**Mr. Hidlebaugh:** — Oh no. Monsanto could come in and sue the city of Estevan if it decided that it couldn't use Roundup to control the quack grass.

**Mr. Weekes:** — No, I mean under TILMA.

**Mr. Hidlebaugh:** — Under TILMA?

**Mr. Weekes:** — Yes. No, I mean it's not Monsanto suing Saskatchewan. It would be — let's use an example — the Alberta government taking the case up with Saskatchewan and they would either have to change the rules to fall within the agreement or . . .

**Mr. Hidlebaugh:** — Or get sued.

**Mr. Weekes:** — The potential is this \$5 million. At the end of the day, I mean, if the two provinces or three provinces that have signed on to an agreement, they can't come to an agreement, I guess ultimately this mechanism would kick in. But I think that's the very last resort before anything like that would take place.

**Mr. Hidlebaugh:** — We just don't believe it should be a resort, period.

**Mr. Weekes:** — Yes, thank you.

**The Chair:** — Mr. Yates.

**Hon. Mr. Yates:** — Thank you very much, Madam Chair. I really have two questions. Currently we already are at the table at the AIT as all other nine provinces in Canada and three territories are as well. To question whether we should be at the TILMA table really presupposes that we believe that we should be taking a regional approach to trade and investment issues in Canada.

My first question is, do you believe that we should as a province approach the issues of trade and investment from a regional perspective or a national perspective?

**Mr. Hidlebaugh:** — How are you using the word trade would

be one of the questions, because what I think we need to do is the Government of Saskatchewan should . . . That's why we have boundaries and that's why we have allocated to municipalities the right to do certain things at the provincial level. And I think that the province has a responsibility to ensure that the municipalities have access to their basic economic needs, which are food, water, energy, and shelter, and the socio-economic needs of education, recreation, health, and finance. Those should not be traded away.

What we should be doing is looking at trading away surpluses after we've met our own needs with the resources we have available. I have no problem with trade. What I have a problem with is a mercantilistic theory or philosophy that says the only way that we can get rich is by trading with somebody and getting their raw materials for very low and making them buy our stuff at a very high rate.

And that tends to be what our present trade policies are right now. Mass production of monoculture and then price it as low as we can and sell it at the greatest amount. That's got some huge, huge problems as far as I'm concerned for sustainability. So I think it has to be a national level, but I think the province has a responsibility to protect us at the local level.

**Hon. Mr. Yates:** — Thank you very much. The one thing that has become clear as we've gone through these hearings is that there are more unanswered questions than there are answered questions about the outcomes of the proposed TILMA agreement. What we have at this point is a framework without a lot of substance around the framework so there's a great deal at this point that would be unknown.

I'd like to ask your position on whether you think the province should enter into an agreement. Our right, if you look at section, I believe it's 20 of the agreement or 18 of the agreement, we can simply at this point become . . . Article 20, we can accede to this agreement upon acceptance of its terms and at that point — which means you have to accept the agreement as it is — and then at that point you can negotiate issues that would be part of, over the next two years, of exemptions and so on and so forth. But without all the answers to the questions, should we even consider participating in this agreement?

**Mr. Hidlebaugh:** — Well that's why we try to frame it by saying that TILMA has no history and so we're comparing it to NAFTA, which has very similar conditions to the TILMA which are far different from the Agreement on Internal Trade. That's what I was trying to do and the paper does try to frame it.

The problems with the NAFTA are already surfacing in terms of what it can do to social and environmental problems in Canada. We're saying the same thing will happen in TILMA. So we're saying in order to be a sovereign province and in order to maintain control of our own destiny we shouldn't be negotiating a trade agreement, a trade, investment, and labour mobility agreement of any kind like this that says the corporate sector is going to take control over what the local government decisions can be in environment, in social, and in business.

**Hon. Mr. Yates:** — Thank you very much. That's all my questions.

**The Chair:** — Ms. Crofford.

**Ms. Crofford:** — Well this was a big amount of input into the discussion. I was particularly pleased to see the information you provided because we have had some, I think, difficulty in the factual information part of the discussion and your comments about Canada being the most open of all industrialized countries, but also Saskatchewan. What was interesting about your comments, Saskatchewan is the third most internationally export oriented but the second most open to internal trade behind Manitoba, not behind BC or Alberta. And also . . .

**Mr. Hidlebaugh:** — Way down the list.

**Ms. Crofford:** — Yes.

**Mr. Hidlebaugh:** — Sorry.

**Ms. Crofford:** — Well I mean as people leading this agreement, and maybe they do have problems they need to solve. Saskatchewan productivity growth has recently exceeded both the national and western provincial, so both of those facts.

And I'm putting those in the context of the question the minister put before us, the state of trade in Canada, and then his two specific questions is: are there barriers and is TILMA the solution? So those were the two questions that were put before our committee. And at the risk of the Chair chastising me, I note the 291 million we stand to gain in trade isn't nearly as much as 800 million we might gain in equalization. But we'll just leave that for another day.

The question I . . . [inaudible interjection] . . . Well I couldn't resist. Anyway the specific question I want to talk to you about is you make a point about place-based policies. And certainly SUMA [Saskatchewan Urban Municipality Association] and the cities have raised this issue with us because they feel they've worked hard to develop a level of autonomy in developing the local economies and being able to make policy. But also citizens now enjoy an equal ability with, the private and public sector both have the ability to lobby government and for government to make laws which then they are judged on.

Do you think that this change would dampen the belief of citizens that they can have a say? Because they would probably need good legal advice in order to know whether they might be proposing something in their communities that was seen as a trade barrier.

**Mr. Hidlebaugh:** — Right. To me that's the major issue. Why should they be worried about the safety of them making decisions? Place-based . . . Right now most of the trade is based on sectoral. That's why our grain is cereals and oilseeds, and then our animals. And we don't have a diversified system because we're not self-sufficient. We actually import more food than we . . . I mean we import almost all the food we eat — 90 per cent of the food we eat — in an agricultural community. It doesn't make sense.

The place-based . . . And this is from the OECD when they were looking at community sustainability in the future. The policies will need to move from the sectoral-based which is essentially agriculture and all what we have right now into a

place-based. So trade programs like this will not function in the . . . Probably in the next 20 years, they won't function. So why would we get into a situation where we're actually signing away our heritage of being able to be sovereign so that corporate sectors can take over?

It just reminds me of what happened with the Hudson's Bay Company when Prince Rupert signed over the Hudson's Bay Company entitlement to everything that drained. Why would we do the same thing?

**Ms. Crofford:** — My second question is an environmental question. When I looked at this proposed water deal under the corridors — and I forget what the name of it is right now; I just got it the other day — and what it caused me to think of is, we already, in North America, use some of the highest level of resources per capita of anywhere in the world. We're sucking back the world's resources at a astonishing rate. I do wonder when you allow the export of water whether you then remove any pressure there is to adopt good practices or conservation because you just go get somebody else's. You use all yours up and then you go get somebody else's.

**Mr. Hidlebaugh:** — That's an interesting thing about water though. We can only live three days without water, and they don't make any more water. And in fact the amount of water available to us is declining. So once we lose water, we're going to be into water wars. And not only that but we're going to have severe environmental degradation with soil desertification and with the drying out of the North. If anybody starts to move water from the North into the tar sands or things like that and start to dry out the North, the greenhouse gases are going to increase so greatly because of the fires that are going to occur and the lack of carbon sequestration by the forests which will die. We're going to have huge problems. So the environmental issues cascade.

And trade is not the panacea of a quality of life. And for the Conference Board of Canada to indicate that the only way that we have quality of life is by growth and consumption defies nature.

**Ms. Crofford:** — Thank you.

**The Chair:** — Mr. Chisholm.

**Mr. Chisholm:** — Good morning. I'd just like to point out a couple of things. In your paper you mentioned that, and I quote, on page 8:

We also think that the TILMA totally fails to address the social and environmental aspects. In some sections these are just excluded and in other cases they are targeted for abolishment.

Now under article 6 of the agreement it states that the government can pursue what are called legitimate objectives. And legitimate objectives are defined in part VII as specifically protection of the environment is one and provision of social services is another. So you have taken exception that both the environment and social services would not be protected. And yet my understanding of the agreement is as legitimate objectives and defined specifically, those two concerns are very

much a part of what is certainly protected.

**Mr. Hidlebaugh:** — Okay. Just on the environment, what they're doing . . . In fact they named the two — waste management and waste something else are environment. Well that's a technical thing in taking garbage from a place that is going to cause somebody to smell it and stick it in some place that it won't. It doesn't deal with water, and it doesn't deal with land. And it doesn't take pesticides or toxins as being an environmental degradation. In fact they're considered an environmental necessity.

So if I take the NAFTA and show what happened to the Government of Canada when they stopped them from using the MMT . . . It's clean MMT. It's just toxic. And so it's not considered an environmental problem, and they were considered to have lost money because the Government of Canada banned it.

Well the same thing can happen with the environment in terms of the use of pesticides or transferring water to other areas. The degradation of water by the tar sands would never be considered an environmental degradation under TILMA. In fact it was stopped. The people that use the tar sand water could actually challenge it because they're now making a situation where this private sector can't use water and this community can. That would be considered an intervention that could be challenged.

So that's my concern, is that there is no real definition of what they mean by environment. And in terms of the pesticides and the water, which are huge environmental issues, there's nothing on that that would protect it. So that's my concern.

The other concern I would have is even when it's written into the agreement . . . We already know under NAFTA that when the softwood lumber issue, which is not necessarily an environmental one, but the softwood lumber issue, when Canada was found by the panel to be . . . [inaudible] . . . we're still stuck with the problem.

And I'm not sure how many people in Saskatchewan could afford the kind of legal requirements that a large corporation could bring to bear in terms of abrogating environmental issues. And pesticides is a big one. Water's another big one. So I would be concerned that those exemptions don't qualify. And we have some pretty good legal advice on the exclusionary aspect, that that probably wouldn't hold either.

It's a very dangerous contract to get into. And as one of the writers said, if you had a lawyer that was going to sign a contract that was as vague as this, you'd fire him.

**Mr. Chisholm:** — Thank you. I guess protection of the environment does certainly mean something to me that I would hope would be shared by, you know, the community at large. To say because the word environment is not specifically defined, I don't think certainly doesn't alter the intention of the agreement and the fact that protection of the environment is one of the specific legitimate objectives that are listed.

**Mr. Hidlebaugh:** — If you had an ILO [intensive livestock operation] that wanted to put his place on the west side of your

property, and it met all the land requirements for that, and your community didn't want the ILO on the west side because the wind blew that way, that would be considered an environmental issue and the person, the ILO, from our information, could actually sue you. Even though you had some air quality control issues in terms of environment, they could sue you for damages because they met all of the so-called environmental requirements that government has for ILOs. And so the location, if they own the land, you would not be able to zone it if they could prove that they were being unduly penalized.

Gravel pits are the same way. I've researched them both and they both fall into that category. So your quality of life would be degraded and your community couldn't do anything about it.

**Mr. Chisholm:** — So you're suggesting that a lawsuit could be brought against the individual in this ILO situation or the gravel pit situation?

**Mr. Hidlebaugh:** — No, the ILO could bring it against whoever set up the . . . If you were the homeowner or the community that didn't want the ILO there, the ILO could bring the lawsuit against you as a private corporation against a public . . . The zoning would be considered, the zoning that communities would have right now would be considered an investment impediment.

**Mr. Chisholm:** — My understanding is that the only lawsuit that can be brought is brought against the province that allows the occurrence of the incidents, which if they can rectify and then there is no lawsuit. There is no provision for a lawsuit for you as a individual through TILMA to be suing me as an individual.

**Mr. Hidlebaugh:** — The corporation's considered an individual or one of the parties and it says right in here, it's the parties. And it includes in the parties the government and the people that are involved in the contract.

**Mr. Chisholm:** — Right. The parties are the signatories to the agreement.

**Mr. Hidlebaugh:** — And they're signing that the corporation can declare that they have a, if they have a loss, they can sue the group that has a loss. Which would be in this case, they could go back to the province. The province allocates the municipality the right to do zoning so they could sue the Government of Saskatchewan for allowing the municipality to provide the zoning that stopped the ILO from going in on the west side of Dundurn.

**Mr. Chisholm:** — That's all I have for now.

**The Chair:** — All right. That exhausts the speakers list for this presentation. We thank you again for your presentation and thoughtful comment on our questions and answers.

**Mr. Hidlebaugh:** — Thank you.

**Presenter: Greater Saskatoon Chamber of Commerce**

**The Chair:** — Our next presenter really doesn't want any of us to get in trouble while we're visiting his fair city of Saskatoon



and so has brought a bit of information for you to sit back and relax and read this evening in your rooms. We welcome next the Greater Saskatoon Chamber of Commerce, Kent Smith-Windsor, executive director. Good morning.

**Mr. Smith-Windsor:** — Good morning.

**The Chair:** — I understand that there's a present for each of us.

**Mr. Smith-Windsor:** — We have presents.

**The Chair:** — Well again welcome. As I've mentioned to other presenters, there'd be about 15 to 20 minutes overview prepared by yourself and mentioning that if you would like to have the wider audio streamed audience hear some of your information or Hansard to record that, that would be a part of your oral presentation. We do record that you've presented a background of information for us to be part of our deliberation, and so that would be the knowledge of all committee members. And I see you have presented to all of us the same package of information. And with that I'd ask you at any time that you want, to introduce yourself and begin.

**Mr. Smith-Windsor:** — Okay. Thank you all. And I expect that you'll have some animated discussions, and we're hopeful that we can provide this panel with some comfort relating to the merits of being involved in this agreement. Our chamber has consistently indicated its support for this agreement and that occurred since the striking of the agreement. I'll try and walk through the written presentation, touching on some points and then if time allows I have some points in the appendices that I'd just highlight for you and then you'll be able to read the rest of the information at your own leisure.

In May 2006 our chamber, along with the Regina Chamber of Commerce, raised an emergency resolution before the Saskatchewan chamber annual general meeting seeking for request for the provincial Government of Saskatchewan to immediately become a signatory to this agreement. The reasoning behind that was that as we had seen the initial agreement, it was readily apparent that there were a series of follow-on negotiations that would be occurring. And we felt that it was very important for Saskatchewan to participate in that follow-on discussions in the most expeditious manner possible.

In 2007 our chamber, along with the Saskatchewan chamber investment and growth committee, along with the Regina chambers of commerce, did raise the same resolution to the Saskatchewan chamber annual general meeting, and this received unanimous support in 2007. Our argument to swiftly become a signatory to the agreement is to maximize our negotiating power, because as each day passes there are additional ongoing negotiations between the signatory provinces. And Saskatchewan is not party to those negotiations so it has no influence on them. These negotiations include municipal legislative provisions, credential recognition, and training recognition. As time goes by, this bi-provincial agreement is setting rules and procedures without our province's input.

While currently these rules and procedures are not expected to be detrimental to Saskatchewan, our ability to sway or guide

these negotiations is non-existent as a non-signator. For Saskatchewan to establish a stronger negotiating position, becoming the next signator in an expeditious manner is very important.

As we've been listening to others and heard some of the natures of complaint, we became aware that the Saskatchewan Federation of Labour had indicated some level of concern around the TILMA agreement, as had the Saskatchewan urban municipalities. We undertook to inquire with both of those entities relating to a more detailed summary of their concerns and have not yet been able to receive any responses from them.

But to follow on relating to the tenor of the SUMA agreement, we did have a meeting with the city of Saskatoon at a recent council meeting where we sought to get clarification from the municipality's position. At that time our chamber was assured that the city of Saskatoon had a neutral position, but that it was undertaking a study in conjunction with a number of other municipalities within the province to better understand the implications as they relate to the regulatory authority that would remain with the city of Saskatoon and other municipalities when Saskatchewan becomes a signatory.

To follow on relating to these concerns, we did undertake an investigation in Alberta and British Columbia, receiving reports from the city of Vancouver and the city of Edmonton. The city of Calgary has not produced a report. We have appended the city of Vancouver and the city of Edmonton's reports. In both of these reports, the focus appears to be on the open tendering piece.

I think I heard earlier in a presentation that there were some potentially greater barriers in some of these jurisdictions and this may well be the level of concern that's being raised. We have been able to look at the nature of the comments from the SUMA website and took a little bit of further work in terms of discussing with our chamber counterparts in the city of Vancouver, the city of Edmonton, and the city of Calgary, and became aware of a number of initiatives that are now ongoing in those communities that would appear to be on the list of concerns or areas of investigation that the Saskatchewan urban municipalities have been raising, that are going on with full support and foreknowledge of their provinces.

In the example of Calgary, they do have preferential taxation in certain jurisdictions in their neighbourhoods. They expect to continue those. And they're most particularly looking at a major refurbishment in an established core neighbourhood that would be involving a provincial government guarantee for that refurbishment. And the provincial government has been participating in those discussions and have not raised a red flag relating to this trade agreement.

When we look at the city of Vancouver, we would all know that there are very significant public investments occurring as they relate to the Olympics; which have both municipal, provincial, and federal support for those initiatives. And there have been no concerns relating to the context of this trade, investment agreement relating to those ongoing preparations for the Olympics.

In the city of Edmonton, there are a number of urban renewal

projects now under way and the provincial government has again raised no red flags. The Government of Alberta, also of its own initiative, has started an affordable housing initiative and has invited municipal participation in this agreement. And this would assume that there will be both financial and regulatory support from governments, and this is being initiated by one of the signatories to the agreement.

So it would suggest to this that the current signatories are fully contemplating the ability for municipalities to maintain integrity relating to some of the areas that they consider to be of legitimate interest. We believe that these incidences provide evidence that this agreement was designed to and will accommodate municipal concerns, but we maintain that maintaining municipal regulatory authority by Saskatchewan is best served by us becoming signatory to the agreement and part of the negotiations. One of the recommendations from the city of Vancouver in their report indicated that that was the best means by which they believed their city could accommodate their concerns as this agreement moved forward.

Our chamber is continuing to focus on youth retention. We set before ourselves a bit of an objective to say, I wonder if we can create enough jobs in our community such that young people that aspire to stay in our community have the opportunity to do so. And we believe that participation in this agreement is a critical factor in doing so. As the negotiations that are occurring now in Alberta and British Columbia and their joint discussions are occurring, there is a readily apparent pattern relating to the alignment of credentials and the recognition of credit transference between various post-secondary institutions providing a young person who would aspire to move forward with a career to have many, many, many more options than would potentially be afforded to them in Saskatchewan, should we not be a signatory to this agreement.

One of the things that we hear from opponents is that they're somehow suggesting that the status quo is just fine and that the agreement for internal trade serves Saskatchewan or Canadian interests. And we don't believe that to be the case. Even the provincial government agrees and that's why they're participating in these discussions at the national level.

There are a number of economic analysis agencies that have suggested that TILMA has substantial merits for Saskatchewan's participation and these are predominantly because of the severe shortcomings of the current agreement for internal trade. These bodies include the International Monetary Fund, the OECD, Organization for Economic Co-operation and Development, the governor of the Bank of Canada, the Conference Board of Canada, the C.D. Howe Institute, and most recently the deputy chief economist of the Royal Bank of Canada at a recent meeting held in Saskatoon.

Perhaps one of the most important points comes from the view of the Canada West Foundation that has a perspective on Western Canada's role in the federation. And they view that this agreement is a major step forward in better positioning Western Canada as a stronger voice within the Canadian federation. Each of these respective authorities prevents a very strong set of economic arguments that buttress our view relating to the merits of Saskatchewan participation.

The Government of Saskatchewan, to its credit, recently contracted with the Conference Board of Canada relating to the economic impact of Saskatchewan participation and it was identified a \$291 million estimate in boost in annual gross domestic product and about 4,400 jobs could be predicted. We would happen to believe that that may well understate the case, and I think that Eric Howe, in his critique of that document, well articulates why those discussions might be under-represented relating to the potential impact.

But having said that, we're also aware of the fact that that 4,400 jobs should be contrasted to the May 2006 to May 2007 job creation rate in Saskatchewan. 2006 and 2007 have represented perhaps the strongest job creation rates that this province has seen in perhaps two decades. But in terms of full-time jobs, there were 3,500 full-time jobs created between May 2006 and May 2007. So if you put it in the perspective of 4,400 incremental jobs for the Conference Board report, we should not consider that a trivial amount.

We should also remember that most of the internal trade that is occurring from Saskatchewan is directed westward — 43 per cent being between Alberta and British Columbia, and almost 80 per cent of that total going to Alberta. We can see that Saskatchewan's economic future is very closely tied to the economic success of these two provinces.

The Conference Board in its report has an appended list of those that they contacted and we've attached that to your agreement, although I'm sure you've had a chance to review that at another time.

As a separate undertaking, the Conference Board of Canada conducted a series of reports over the last year concerning the lack of competitiveness in Canada. We have provided a summary document, if you can believe it, that's something in the order of 70 to 80 pages that would be a compendium of three follow-on documents that would have very significant indications relating to the impediments that the agreement for internal trade currently facilitates and allows.

We find that the increasing internal and international criticism on provincial trade barriers are slowing growth in our economy and shaking the confidence of Canadian and Saskatchewan businesses. This shaken faith by the business community plays an important role in investment decisions, and our ability as a province to more successfully secure that investment and retain our youth is very much tied to our participation in this agreement.

We wish to highlight that both our work and recent work done by the provincial government have indicated that over 90 per cent of young people would prefer to stay in Saskatchewan with the proviso that they have great career opportunities available to them here. And we believe that we're far better in a position to be able to secure those opportunities through participation and negotiations.

Canada has struggled with internal trade barriers since the formation of the country. The most recent attempt was the agreement for internal trade, and that agreement represented some progress on eliminating the barriers. But the flaws are becoming readily more apparent, and the most obvious flaws

were in the area of enforcement and the narrow context of that agreement.

We now find detractors to this agreement criticizing the Trade and Investment, Labour Mobility Agreement based on the fact that it has an enforcement mechanism, and it's a broader context. And so the Government of Saskatchewan has been participating in these agreements before and since the Agreement on Internal Trade was developed, and these discussions have centred on strengthening both the enforcement mechanism and further reducing barriers through a broadening of the context of the discussions.

Should we see progress on an agreement for internal trade, it's likely to contemplate having an enforcement mechanism and a broadened context. And so while we're not seeing any progress on the agreement for internal trade and we don't find anybody who is predicting one, we can quite likely predict that were it to occur it would have similar provisions to that which we see within this current agreement.

The shortcomings of the agreement for internal trade continue to be virtually no progress on an enforcement mechanism. A classic example of this challenge and limitations of the agreement are the coloured margarine laws in Quebec. These laws banning coloured margarine have been found not in keeping with the agreement for internal trade but remain in force because there is no enforcement mechanism. A change in these laws would provide benefit to Saskatchewan farmers and food processors.

Critics of the agreement are effectively promoting the status quo and damaging the ability of Saskatchewan and Canada to improve the standard of living of our citizens. Momentum that's been recently gained in our economy needs to be maintained, well we're unfortunately in circumstances where silly laws like coloured margarine remain in place. Defenders of the status quo are in effect promoting the maintenance of laws like the Quebec coloured margarine laws. It's very hard to believe in the 21st century, but it's true.

Can Saskatchewan citizens benefit, in addition to our youth, relating to the inclusion of Saskatchewan in this agreement? We say yes. One of the obvious examples are new Canadians. Saskatchewan has struggled in its retention of new Canadians and from the standpoint of looking at the agreements that are now following on from Alberta and British Columbia in terms of credential recognition. If we are not to participate in these agreements, the likelihood of them seeking opportunities elsewhere as compared to pursuing careers in Saskatchewan in the absence of similar credential recognition puts our ability to retain these new Canadians at risk.

When you look at Alberta and British Columbia's one market of some 7 to 8 million people as compared to a Saskatchewan of less than 1 million people, in the context of Saskatchewan not participating and choosing an isolationist path, it becomes readily apparent that it would be logical for someone who is pursuing a career to look more favourably on the broader market opportunity.

The isolationist path will also harm other Saskatchewan citizens. The C.D. Howe Institute recently produced a study

which identifies labour mobility and fast-growing economies as being key factors improving the circumstances of low-income individuals. These individuals in the context of a faster growing economy and an encouraged labour mobility are faced with progressively more options by which to improve their economic status.

The Government of Saskatchewan has quite extensively considered means by which to improve the lives of low-income families, and the benefits of becoming involved in this agreement must be considered. We believe that Saskatchewan's participation offers a partial solution to the provincial government's concern regarding low-income, low-scale workers as it would provide these important citizens of our province with more opportunities as a result of a broader set of options in a faster growing economy.

This agreement is built on a series of principles to eliminate barriers and discrimination; enhance competitiveness; create opportunities and choices for workers; reduce costs for consumers, businesses, and governments; provide access to information to facilitate labour mobility; support a sustainable, environmentally sound development with high levels of consumer protection, health, and labour standards; promote co-operation between provinces on matters as they relate to trade, investment, and labour mobility. The agreement also speaks to the importance of transparency, and we support these principles. We also believe that critics are in effect promoting the opposite.

Our chamber believes that the Saskatchewan citizens want the best possible value for public investment, that it doesn't support discrimination between businesses or people, and that it wants to encourage citizens to pursue careers here based on opportunity. We believe the Saskatoon business people, both as investors and citizens, believe in transparency and are willing to operate within the constructs of this agreement. And Saskatoon and Saskatchewan people want more collaboration and co-operations between provinces.

Being a signatory will strengthen Saskatchewan's regional and national influence. Saskatchewan's stature in Canada will be stronger through the collaboration and co-operation this agreement will foster. We agree with the Canada West Foundation assertion that Saskatchewan's participation in the agreement will strengthen Western Canada's role in Canada. Our participation will also strengthen our country and improve the standard of living of Canadians.

Strong interprovincial relationships in Western Canada in the context of a strong Canada will improve the economic and political influence of our province. Our province needs to have a stronger voice on national affairs, and a regional and national influence would be strengthened by our participation in this agreement. The sooner we sign, the sooner that influence will grow.

The status quo weakens Canada in the face of global competition, and we contend that Saskatoon and Saskatchewan does want and need to see greater interprovincial relationships, an improved economy, more jobs for our children, more opportunities for our Aboriginal community, more opportunities for new Canadians, and we contend that Saskatchewan wants

and needs more influence in our region and within Canada.

Isolationism won't promote this. Our chamber does not support the principles that underlie isolationism. The isolation of Saskatchewan from nearby neighbours will not help our children, our Aboriginal citizens, new Canadians, or businesses build this province for the next century. Nor will isolation grow our province's level of influence. Saskatchewan's best place is at the table while the follow-on negotiations are occurring. Saskatchewan wants and needs greater influence. You can't win a game on the sidelines.

The benefits of signing quickly are that more jobs occur sooner. Each 2007 graduate is waiting your response. Both Western Canada and Canada will be strengthened, and we should understand that Canada can extract itself from the agreement if irreconcilable differences do — in interpretation during the implementation — do occur. So the participation risk is much lower than opponents to this agreement are suggesting.

The risk of not signing, isolating our province, and it will already erode our already too small influence in regional and national issues. More children will be attracted elsewhere to pursue opportunities, and we may risk losing the momentum recently gained in a growing Saskatchewan economy.

It also betrays a lack of confidence in ourselves and reinforces a stereotype held by too many outside this province that Saskatchewan is backwards, resists change, and isn't really ready for the 21st century. Criticisms of this agreement are built upon principles that we don't believe that Saskatchewan citizens support. We, as a chamber, certainly don't support them. Adopting the views of critics in effect endorses poor principles and promotes isolation.

Inaction really only isolates our province from opportunities. This agreement presents and exposes us to the risk of not signing as the rest of our region captures these opportunities, attracts the resulting investment, and uses our children as the workers they need. Inaction means our children will continue to be drawn elsewhere, and we can understand who was the author of that destiny.

Now if time allows, I can walk people very briefly through some of the follow-on documents to help people. We have first a copy of the selected issue resolution that we put forward between Regina, ourselves in 2006; a very brief summary of the Conference Board report relating to Alberta's impact on this agreement that was struck in 2005; a commentary from the Canadian Chamber of Commerce relating to the ongoing problems relating to the current situation on internal trade; the report that we were able to download from the SUMA site relating to the concerns that were raised by SUMA; copies of the discussion papers from both the city of Edmonton and the city of Vancouver relating to their consideration of this agreement; communications from the Government of British Columbia and Government of Alberta relating to their discussions with the respective urban municipality associations; a follow-on discussion, a media release released May 18 relating to the follow-on agreements that are now occurring that Saskatchewan is not yet participating in, that give you a very quick outline.

The credit transfer protocol probably puts all of our post-secondary institutions at some threat should we not participate. A chapter from one of the reports from the Conference Board of Canada relating to the barriers of competition within Canada, that's followed on by a discussion from the Conference Board, *Death by a Thousand Paper Cuts: Effective Barriers of Competition on Canadian Productivity* which has lagged our major trading partner; the *Mission Possible Executive Summary* that I alluded to relating to a path for sustainable prosperity in Canada and a summary of the recommendations that may help you if you're not predisposed to reading all of that.

The *TD Economics* piece is a very interesting one. It was authored by a gentleman by the name of Don Drummond who is a senior executive within the Department of Finance for the Government of Canada and sort of looked at the whole issue of lagging productivity and competitiveness in Canada, and does have a pretty extensive comment relating to the barriers for participation as they relate to the internal trade conflicts that now exist in our country.

A copy of a comment relating to the coloured margarine laws and their remain in effect in Quebec; a comment from the Saskatchewan Chamber of Commerce relating to the fact that our youth are still leaving in spite of improved performance; a summary sheet that we developed some time ago but really didn't have the encourage to make public until we saw a turnaround in 2006 that looked at the employment growth rate in Saskatchewan as compared to other provinces and territories in the country that indicated that we're behind all other provinces and territories over the five-year period from 2001 to 2006. Thankfully there was a bit of a turnaround in 2006.

The CIBC World Markets *Metro Monitor*, if I could draw people's attention please to the set of comments that are specifically related to Saskatoon that are appended just at the end of the summary documents and you'll see a relatively simple graph that compares Saskatoon's economic performance to the average of 25 Canadian municipalities that shows that on three occasions Saskatoon exceeded the national average. And it just underlines the fact that we've been underperforming as an economy. Even though we are in a very comparatively much better period today than we have seen for quite some time, if we look at it over an extended period of time, we can find that Saskatoon has generally underperformed other municipalities in Canada. I actually have the Regina copy if you want to see it.

In terms of our attempt to get at the concerns that were raised by the Federation of Labour, we were able to get from their website a response from the Minister of Government Relations for the Government of Saskatchewan, then answered a series of questions posed by the Federation of Labour. And it really does identify the shortcomings of the current agreement for internal trade.

A comment from the C.D. Howe Institute, that if you go to the summary in brief, it talks about "The effects of innovation on income inequality [and that they] can be mitigated by strengthening the educational system and reducing mobility barriers . . ." for those that find themselves in lower income situations.

Next to last piece is a piece that was put in the *Saskatoon StarPhoenix* relating to a major conference that was held in Regina just this past week, relating to how we can improve our retention and internal growth performance, that was involving economic development officers from all across Canada and, I'm given to understand, some international and United States participants. And I think that the quote says it all: the "Province must think globally."

**The Chair:** — Well thank you. I know our committee members are anxious to get to question and answer period, and we'll have some time to look after the documents at their leisure. So I begin with Ms. Crofford.

**Ms. Crofford:** — Okay. Thank you very much for your presentation. And we are certainly wanting all the documentation, particularly anything that evidences examples of the barriers because what this whole discussion has been remarkably short on is examples of these barriers.

I want to for a moment just articulate this question in terms of our role here as a legislative committee in a parliamentary democracy. This agreement asks us to give up a substantial amount of our decision-making authority and jurisdiction as people who are elected to make decisions on behalf of both our community and our economy. So before we give up that authority, we have to think carefully about, as some people have put it, whether there's enough juice for the squeeze.

And in this particular agreement, as we've been talking to people we're having difficulty identifying what are the real problems it's going to solve. And I'll just give you a few examples, and then ask you to respond.

For example in trade, it seems we already are a pretty active trading province according to all the statistics both from Statistics Canada and the OECD. We have a higher than national and western rate of productivity growth. Our job growth is moving along rapidly, and in fact the Conference Board says that one of the short-term impacts of this agreement may be an increase in out-migration from the province. And you want to know if that . . . [inaudible] . . . might be needed right now, but there doesn't seem to be huge amounts of trade issues.

And one of the things you hear mentioned in relation to trade is red tape. But when I look at all the cases under NAFTA, none of them are about red tape. They're all challenges to environmental, real estate, cultural, and environmental policy. Like I don't think the red tape problem is quite solved by this. Under the internal labour mobility, we've had presentations from pharmacists, engineers, geoscience, accountants, veterinarians, tradespeople, teachers, three varieties of nurses . . .

**The Chair:** — Ms. Crofford . . . [inaudible] . . . other committee members because of the . . .

**Ms. Crofford:** — No, this is very pertinent to the question. And the fact is all of them have said there's no barrier. I've looked at all the things under AIT in terms of the rulings, and it seems like whatever credential issues or whatnot have been resolved quite easily, so that leaves us then with investment.

And what we need is some practical examples because the minister has tasked us to say what are the barriers? And so I think I have to say that we have not heard yet, other than margarine, what those barriers are. And I don't think we would be doing our job to give up the democratic process if we aren't in fact assured that there's a problem we're solving. Do you have more specific examples?

**Mr. Smith-Windsor:** — Well I can give you a very quick example of discussion we had at one of our government affairs committees where there were really only four people participating — one that was in the hospitality industry, one that was in the engineering business, and another one who was as a co-operative. And all of them saw very quick opportunities by further embracing British Columbia and Alberta in the context of their work.

The engineer alluded more specifically to smaller- and medium-size engineering firms in terms of their ability to secure work in Alberta, more particularly, where they're currently required to establish a place of residence, and saw immediate benefits for them. The tourism participant just indicated because of an overall predicted growth in the economy, that they would experience benefit. And from the standpoint of the co-operative, they just saw an opportunity to think better in a regional context.

If you think of the work that was done, not on the context of TILMA, but through the discussions between the Saskatchewan Wheat Pool and Agricore, that was really three separate co-operatives in their original discussion. We finally, unfortunately, ended up with a situation that may well serve Saskatchewan's benefit, but you can easily see a situation where we have to think in a regional context, and we really believe that this agreement sets the stage to help us do that.

So those are three quick examples. I think that through transportation industry, when I sort of push this button on them, I'll get a list that is very long and quickly emerges.

From the standpoint of credential recognition, I'm not certain that we should be as dismissive as some of the others might contend relating to the merits of having people in Alberta or British Columbia thinking about moving to Saskatchewan. One of the things that, the work that we have done as a chamber of commerce over the years is to try and help the science and technology fields in Saskatchewan grow and develop — most particularly in Saskatoon of course. And one of the very quick questions that they ask are, they do relate to the ability for them to have mobility, both for them and a spouse or partner as that may emerge. And often they'll be dealing with contracts out of British Columbia and Alberta and want to have assurances that they would be able to pursue those in a similar fashion.

I think that there have been, it was interesting to us that the discussions that were raised by the municipalities in Alberta and British Columbia talked about the changes that they anticipated relating to open tendering. And I think that there have been a series of anecdotal evidences where we have seen Saskatchewan businesses that have aspired to acquire public contracts in those two markets have been shunted off. And it's their belief that there may not have been a fully open tendering process. And this provides a means by which then to be able to

pursue those opportunities.

So certainly, as we can see that Vancouver's well in excess of a million people. Calgary and Edmonton are well in excess of, now in a regional context of a million people. Very significant contractual development relating to the infrastructure, a number of people see new opportunities and the ability to penetrate those markets as a result of the relaxed licensing requirements.

**Ms. Crofford:** — Okay. My next question, to not get into too much discussion, is we now have trade with both the West and the East, and my understanding is that it's fairly balanced. We have the West who's got the BC-Alberta arrangement developing under TILMA. Apparently Ontario and Quebec are in the process of developing some kind of a trade agreement. We have the AIT, which is a national agreement at the federal-provincial-territorial table.

We now are at risk of having three separate trade tables in Canada. Is that a good thing or a bad thing?

**Mr. Smith-Windsor:** — Well I think that as you've followed the recommendations that are envisioned and noted by people like the International Monetary Fund and the Conference Board of Canada, they said in the absence of the ability to secure a national consensus, which is now 14 years and going on, that there may well be merits in pursuing regional context.

I think one of the things that I might want to raise in the context of transportation — that we perhaps haven't fully considered relating to the merits of being involved in the discussions with Alberta and British Columbia — are the bottlenecks that are now occurring on the gateway corridors in British Columbia where there have been discussions about the merits of having some sort of internal trade port in the vicinity of the plains region that could potentially provide an east-west corridor and an ability to pierce down into the United States and potentially overcome some of the bottlenecks that are occurring in, say, Chicago.

We contend that the ability for us to pursue that agreement is probably, and that potential for Saskatchewan, is probably dramatically enhanced by our participation in this agreement.

**Ms. Crofford:** — I guess one of the difficulties I'm having understanding is at what stage in this agreement would that happen because the agreement is largely about setting up a dispute resolution mechanism. It's not so much about government-government discussions because there's this very brief two-year transition period. And I would think that one of the reasons why the AIT has taken 14 years was because there was things, real things to discuss. And it seems, for example under labour mobility, that any issue that's raised has been resolved reasonably quickly.

And so what would happen to the discussion that would normally take place in the negotiation of something that meets the needs of some fairly different jurisdictions?

**Mr. Smith-Windsor:** — Well again not to be argumentative, I think that the labour mobility piece continues to be identified by the Conference Board, by the comments made by the TD economist that I alluded to, and by the C.D. Howe Institute in

terms of ongoing restrictions relating to labour mobility. But if you were to look at the example that I alluded to relating to municipalities where there has been a very clear overture on the part of the both Alberta and British Columbia governments to reach out to their municipalities during this transition period and to the extent to which those discussions may be at variance to the things that are being identified by Saskatchewan municipalities, we'd be far better at the table and participating in some of those transition discussions, to be party to that agreement. And that's really why we're suggesting we should be moving forward sooner on this.

**Ms. Crofford:** — Again I'll just finish by saying our challenge isn't whether there are things that need to be solved. It's whether this very dramatic mechanism is needed to solve those things. And certainly the professions that have spoken to us have felt that they have a table and the issues are things like whether a nurse is trained to give medication. So you can't just erase that by fiat. Anyway . . .

**The Chair:** — Do you have a question, Ms. Crofford?

**Ms. Crofford:** — No. I'll look forward to the other questions and hear what people have to say.

**The Chair:** — Mr. Stewart.

**Mr. Stewart:** — Thank you, Madam Chair, and thank you very much, sir, for your presentation. No other group that's appeared before this committee has equipped us with such an extensive volume of evidence, and we do appreciate that.

From your chamber's extensive research into the deal with the . . . and on the Conference Board of Canada's document, I know that you say that those numbers are justified, but we've had many presenters in the last week and a half come before this board and suggest that they don't believe it. Can you give us some of the basis for your conclusion that the Conference Board of Canada's numbers on increased employment and economic activity in that province are, as you say, conservative?

**Mr. Smith-Windsor:** — Well we could probably draw an international context on this. And we as a chamber do have a bit of a window on international trade issues through our generation of certificates of origin where we can see the dramatic components of wealth have been generated in places like India and China as a result of trade. And we've seen that very quickly translate into increased demand for Saskatchewan products relating to potash and overall demand for energy.

So it really starts with a very demonstrated example out of economics, is that trade brings wealth for each of the participating parties where people are able to take advantage of their innate strengths and capture the opportunities that would be presented. I think that we're hearing and seeing in Saskatchewan the people that are seeking to relocate from Alberta to Saskatchewan because they've started to identify some of those strengths. And we suggest that those opportunities as relocation, young people pursuing and returning from Alberta, would be fostered better by the expansion.

The example that we have used in a very basic way is giving people dollar store items at random around a room and ask them to relate their relative satisfaction for each of those items. And then we ask them to trade amongst themselves. And we take the total satisfaction points from those that participated before they effected trade and those after they effected the trade, and in no case does anyone experience a lower level of satisfaction. Trade does bring wealth.

**Mr. Stewart:** — Thank you, sir. Do you see that this agreement would increase Western Canada's position within the country and particularly Saskatchewan's, supposing we were a signatory to it? I guess simply put my question is, if Saskatchewan was a signatory to this agreement, would we have more power within Confederation than we do now?

**Mr. Smith-Windsor:** — I certainly believe so. I think that there're a number of points that we could start to press if we were to talk about where Saskatchewan's innate advantages might lie. We probably would be in a better position to be able to argue, for example, for a greater allocation of quota amongst marketing board products.

If we'd been following all governments at all levels, all across the country, they all indicate support for our current marketing board system. But we're left with about half the farmland and far less than that by way of quota. And I think that there's a very strong argument to see a dramatic expansion in the amount of quota that might be allocated to Saskatchewan based on our resources and our land mass that would be helpful to our existing farm community quite substantially in terms of reducing transportation costs and providing a substantial number of new careers in Saskatchewan.

And I think that the Government of Saskatchewan and the industry has been working pretty hard on those points but right now is operating in an isolated context of Saskatchewan versus 10 others. And I think that there would be a very strong argument that this would now be three provinces versus seven, and this region would have very substantial clout in that context.

**Mr. Stewart:** — Thank you. It appears that new-growth tax incentives and municipal tax abatements may be disallowed in the agreement. To me that doesn't sound positive. I'd like your comments on that.

**Mr. Smith-Windsor:** — It's not altogether clear that that's true. The reason I say that is when I looked at the response that I received from our counterpart from the city of Calgary, they indicated that they contemplated having pieces in the context of redevelopment.

The other thing that I'm aware of is that at least in Saskatoon — and I believe in Regina through Market Square — there have been things called business improvement districts in core neighbourhoods for example. There are equivalent bodies in both Alberta and British Columbia, business revitalization zones in Alberta and business improvement associations in British Columbia. Both of those entities are up and operational and providing services to promote, enhance, and beautify established neighbourhoods.

And it would indicate to me that there are some items in place that do relate to legitimate interests that have been promoted. They of course talk to the issue of non-profits. They speak to those being accommodated within the agreement. They talk about opportunities relating to the Aboriginal community, and they talk about specific economic development pieces.

Having said that, if we have a more robust economy, I think that there are many, many businesses that would far rather earn their profits rather than being dependent on a subsidy.

**Mr. Stewart:** — Thank you. We're very interested in seeing — I think we all are — in seeing more research and innovation dollars attracted to our universities. Would this agreement help or hinder in that goal?

**Mr. Smith-Windsor:** — We don't see anything that would hinder that agreement. It may well strengthen it from the context of a broader constituent base.

One of the things that Saskatoon and Saskatchewan have benefited from is significant goodwill from the Government of Alberta and their respective provincial universities and the Government of British Columbia and their respective universities relating to the synchrotron and VIDO [Vaccine and Infectious Disease Organization] and InterVac [International Vaccine Centre], where they have provided direct funding for those initiatives. They've participated in things like the Western Canadian veterinary medical college.

There is some allusion to the establishment of a veterinary college in British Columbia, or pardon me, in Calgary, that might well create a sense of inward-looking or more focused activity in British Columbia and Alberta should we not participate in view of the context of the importance continuum between VIDO, InterVac [International Vaccine Centre], Western Canadian veterinary medicine and ongoing support for the Canadian Light Source.

Also as you start to look at the credential recognition and portability between post-secondary institutions that are now being discussed in Alberta and British Columbia, I would think that there's a pretty compelling argument for Saskatchewan to be participating in that. That might well provide significant opportunities based on the inherent strengths in both energy and petroleum recoveries that are identified in Regina and of course the life science cycle that we're aspiring to in Saskatoon.

One of the things that would be very obvious is the nanotechnology institute in the city of Edmonton. Its work is dealing with what may well be the next generation of computers and we ought to be encouraging their participation in the synchrotron and the Canadian Light Source. I think that agreements like this do foster that spirit of collaboration and co-operation that would probably not be at the table to the same extent should Saskatchewan turn its back from this agreement.

**Mr. Stewart:** — One final question, if I may.

**The Chair:** — . . . two more questions of the presenter and time is moving on. Thank you.

**Mr. Stewart:** — You know, we need to . . . The only way I

know of to keep our young people in this province and to attract immigration and develop the economy is through the development of our resources. You know, that's certainly the edge that we have in this province.

We have a diamond industry that appears on the threshold of being developed. Our own oil sands are, they're there and they're not developed yet. Our oil and gas industry as a whole is underdeveloped. Our agriculture processing industry is a baby still in diapers compared . . . You know we have the largest agriculture production in the country but one of the smallest processing sectors.

The only way that I know of to keep people in this province and to develop the economy is through investment. Now we've talked about labour mobility and one thing or another, but what . . .

**The Chair:** — You are coming to a question?

**Mr. Stewart:** — What will this agreement do in your opinion for attracting investment to this province?

**Mr. Smith-Windsor:** — Well I think that the discussion that happened in Regina last week that I was not able to participate in, but I've done a fair bit of investigation relating to investment decisions and how to grow an economy. It's kind of what we do as a chamber. And I've been following this for a year or two or perhaps 20. And the most effective means by which to encourage investment is to create an environment where local investors are comfortable making an investment and taking a risk. And the extent to which they feel comfortable with a place will start to define the level of risk that they are prepared to absorb.

So unfortunately during too much of perhaps the last period until we saw in 2005, we were seeing Saskatchewan-based investors making a little bit of an investment elsewhere and then a little bit more and then a little bit more and then a little bit more. And they essentially were voting with their risk appetite as to how they felt about our jurisdiction versus other investment alternatives.

Certainly the provincial government made major strides relating to its tax adjustments that were announced and are now being undertaken relating to the 2006 budget. And that helped and you saw it immediately in terms of the level of investment that was occurring. We just don't happen to believe that the work is done. There is more work to be done, and we're measuring our success very simply.

We'll be very comfortable when we can look each young graduate in the eye in Saskatoon and say, you've got a great opportunity here and it's not going to be based on some things that are hoped for in the future; it's available for you now. And I think we struggle on that still because we're still not acquiring the level of investment that we require to create that kind of environment.

**Mr. Stewart:** — Thank you.

**The Chair:** — Mr. Yates.

**Hon. Mr. Yates:** — Thank you very much, Madam Chair. I have a number of questions, and I'll try to make them as succinct as I can. I've started out many times by saying there are more unanswered questions than answered questions about what we're examining.

I'm going to start out by saying that yes, under the TILMA framework there is an opt-out clause, but there's a 12-month lag time. We don't know what the potential damage could be done to the province if there were things that they insisted be included that we couldn't negotiate exemptions to. And we have to accede to the agreement or enter before we're part of those negotiations to determine what we can in fact ask, exempt from the agreement. In that 12-month time frame we don't know what we in fact might lose in this province that's dear to the people of the province. So as I say there's a lot of unanswered questions.

We've had Steven Shrybman, who is a trade lawyer and with quite extensive experience on trade law in Canada and with the NAFTA agreement. And he unequivocally says that entering into this agreement puts at risk our Crown corporations and potentially two-tier medicare in the province of Saskatchewan. And we don't know that answer. We have many more questions to ask . . .

**The Chair:** — Did you have a question of this presenter?

**Hon. Mr. Yates:** — Would your chamber of commerce still support this agreement if those two things were at risk?

**Mr. Smith-Windsor:** — Relating to the Crown corporations, I think it takes a pretty stretched piece, given the comments relating to exemptions that are included. From the standpoint of the Crown corporations . . . Chambers, you should know, at this most recent chamber meeting, talked about more direct ownership but the maintenance of the Crown corporations, with a more direct ownership format. So from that context, I suspect that it contemplates the existence of them as they currently are formed. Now each of them are faced with progressively greater competitor pressures and how they will change and adapt into the future, one can really not predict with any certainty.

From the standpoint of the 12-month period of extrication, we should remember that there's also a two-year transitional period that we're party to those negotiations. And then there is an internal discussion process before you go to the trade dispute mechanism.

So before you start to suggest that there would be material damage to the Saskatchewan economy simply by sitting at the table and negotiating, you'd have to think about the logical conclusion that this agreement was first brought forward in April 2006. They struck an agreement by April 2007. They're now talking about a transition period to April 2009. Although I'm sure that the Government of Saskatchewan is far more efficient than the governments of Alberta and British Columbia, it would be very much expected that that transition period would be extended. So I think that we're far better equipped to be able to represent those things that you identified as things that Saskatchewan cherishes by being at the table and representing those views.



**Hon. Mr. Yates:** — Okay. Thank you very much. The other significant issue that was raised was that because this establishes, TILMA would establish a new high-water mark in investor entitlement in North America, that it would, under the NAFTA agreement, allow US and Mexican investors to challenge provinces in Canada and through backdoor entry into ownership of and challenges directly to governments in Canada. Now what would the chamber's position be on that issue?

**Mr. Smith-Windsor:** — You have to come back at me please in terms of explaining your question.

**Hon. Mr. Yates:** — Okay. TILMA establishes a new high-water mark for investor rights in Canada. And as a result of NAFTA, which guarantees the national treatment, the best for foreign investors that is available to national investors and in fact today this would establish, TILMA establishes a new high-water mark for investment in Canada that you can actually challenge issues through a dispute resolution panel, that this would enable both Mexican and American companies to challenge investment in Canada. An example is used that HMOs [health management organization] would be able to challenge for the right to set up and establish hospitals in Canada.

Does the chamber have any ideology or any . . . Do you think that's an appropriate way for advancement of American and Mexican interests into Canada, or do you believe it's . . .

**Mr. Smith-Windsor:** — We actually don't happen to believe it's a material risk in the case of the United States. If you were to look at where we as a chamber have tried to consider health care, we've tried to not enter into the merits of private sector investment in health care because we don't believe that there's consensus amongst the business community relating to that approach.

What we have identified is that there are very material economic opportunities for Saskatchewan to be providing services elsewhere. If you were to look for example at the Saskatoon Health Region and their work with In Motion relating to citizens and particularly for seniors, we think there's a significant economic opportunity to market that product as the health region, in support of health initiatives in other parts of the world.

If you start to talk about whether we're just, are we interested in securing United States or Mexican investment in assets owned in Saskatchewan, they're already here in terms of investing in a lot of the mining projects that are occurring here.

Should the oil sands develop in Saskatchewan, it will require many billions of dollars. I think that the Government of Alberta has acknowledged that they really need to maintain a strong relationship within Canada and a strong relationship with the international financial community relating to ensuring that that investment flow is secured and maintained. Fortunately a large portion if not the majority of the oil sands projects in Canada are under the ownership and control of Canadian-based businesses.

And so it would suggest to us, based on the performance of say companies like the Potash Corporation of Saskatchewan or

Cameco, that we have companies that are globally competitive in current state, but they probably have some investors from the United States and Mexico as part of their investment portfolios and don't consider it a particular threat to their ability to conduct affairs in Saskatchewan.

**Hon. Mr. Yates:** — Thank you. And my final question is this. Without doubt there have been many, many more questions asked than answered overall throughout this. There are still a lot of unknowns as this moves forward. Over the next two years Alberta and British Columbia will, for lack of a better word, flesh out this agreement so it becomes more transparent, more knowing to both the citizens of their provinces and the rest of the country. With all the unknowns and the fact that so much still needs to be fleshed out, do you think it's worth the risk signing on before we know what the end results are to an agreement that could have so much impact on the province?

**Mr. Smith-Windsor:** — I think the tenor of our discussion was, was that the inherent benefits of signing on before those agreements are struck is that we have a much better opportunity to influence what the outcome might be. And so if we believe that we want to enhance the ability for young people to pursue careers in Saskatchewan and we want to secure the investment that will be required to do that and we want to experience the economic growth that people like the Conference Board identifies, we're far better to be at the table and negotiating our position while those structures that you alluded to are being struck.

**The Chair:** — Thank you. We're out of time for this presentation. And we thank you for the amount of work and your responses to the questions posed by committee members. Thank you again.

**Presenter: David Orchard**

**The Chair:** — Our next presenter is Mr. David Orchard. Thank you, Mr. Orchard, for your time before committee and the presentation. As I've mentioned to other presenters, the format we're using is about 10 to 15 minutes for your overview presentation. What you would like to have recorded in *Hansard* or available to the audience out there as far as audio streaming, if you would make those a part of your verbal comment. Anything you provide to the committee as resource materials will be recorded and presented to all of us so that we have the same information base. We thank you for your time and effort to be before us. And if you'd like to begin your presentation right away, that would be great.

**Mr. Orchard:** — Well thank you, Madam Chairman. Thanks for the opportunity to be here and for your invitation. And I'd like to commend the government for setting up these hearings and taking a serious look at this proposed agreement.

I'm a fourth-generation farmer. I was also a co-founder of Citizens Concerned About Free Trade in the 1980s when the Canada-US Free Trade Agreement was brought forth in a fairly sudden manner. I wrote a book which has become a bestseller on the Canada-US relations, with specific concrete examination of the Canada-US Free Trade Agreement and NAFTA, and of course spoke across the nation and across the continent in debates on the FTA [Free Trade Agreement] and NAFTA. And

I've written a number of articles on those agreements which, a few of the relevant ones I'll submit to your committee with your permission.

But just to begin with, I'd just like to take a look at the overall context in which we're finding ourselves in looking at this agreement. Canada belongs to the GATT, the General Agreement on Tariffs and Trade founded after the Second World War, the overall multilateral agreement that covers trade between most of the countries in the world. It's now been changed in name to the WTO [World Trade Organization]. Canada is a member in good standing of that organization.

As I mentioned, in 1989 we also entered the Canada-US Free Trade Agreement. That agreement was expanded in 1994 to include Mexico and renamed the North American Free Trade Agreement. But both the Canada-US Free Trade Agreement and NAFTA remain in effect, and we're part of both of those. Those agreements were called free trade agreements. But in essence, only one small chapter dealt with tariffs and they were a much, much wider agreement than anything to do with free trade.

But this is the framework in which Canada, the West, and Saskatchewan live and trade today. And it's the framework in which this TILMA agreement between Alberta and BC will function, which is also coming very much out of the blue to most members of the population.

The TILMA is a 35-page agreement including its annexes. The NAFTA is 1,100 pages. And the Canada-US Free Trade Agreement is 200 pages not including its annexes and its definitions. So it's a much smaller document we're looking at, and hopefully it's a little more manageable. But it begins part I, it says:

The Governments of British Columbia and Alberta [are] resolved to:

Establish a comprehensive agreement on trade, investment and labour mobility that applies to all sectors of the economy;

It lists a number of other goals, and then it ends by saying, the agreement hopes also to "Demonstrate the benefits of freer trade within Canada . . ." Okay that's all well and good. I'm all in favour of free trade and freer trade in Canada. I've been an advocate of freer east-west trade in Canada for 20 years, and it was one of my main criticisms of the Canada-US free trade agreement that was turning our trade lines north and south, making freer trade between Canada and the United States than we had between the provinces. But is this agreement going to give us the benefits of free trade?

This agreement doesn't list what's covered. Unusually most trade agreements . . . for example the NAFTA agreement, the Tariff Schedule of Canada, there is an equal size book for the tariff schedules of the United States listing what's covered. This agreement does not list what's covered. But if we turn to part V, it states the exemptions to the agreement:

- a) Aboriginal peoples;
- b) Water, and services and investments pertaining to water;

And then we go on the next page — Energy and Minerals. It says:

. . . measures adopted or maintained relating to:

- a) the licensing, certification, registration, leasing or other disposition of rights to energy or mineral resources;
- b) exploration and development of energy or mineral resources; or
- c) management or conservation of energy or mineral resources.

And "Measures adopted or maintained to promote renewable and alternative energy." Then it lists forests, fish, and wildlife. Again:

Measures adopted or maintained relating to:

- a) the licensing, certification, registration, leasing or other disposition of rights to the harvesting of forest or fish resources; [and]
- b) the management or conservation of forests, fish and wildlife; or
- c) requirements that timber be used or manufactured within the territory of a Party.

And then for further clarity, Alberta lists its power purchasing arrangements. British Columbia lists its:

- 1. Measures adopted or maintained relating to the use of dams, reservoirs and generation facilities . . .

So the question that immediately comes to mind is why would Alberta and BC exempt their largest industries and by far their largest exports from an agreement that we've just read was designed to cover all sectors of the economy? So that's the question I give to you, and I'm sure you're going to turn it right back to me during the question period so I'll give my speculative answer.

Perhaps it's worth looking at the response of a highly placed American official a year and a half or so ago when he was asked about the Chinese interest in the tar sands and he said, what the Chinese don't understand is that Canada doesn't control Canadian oil and gas; we do. So it seems to me that British Columbia and Alberta don't want to make the same mistake as the Chinese, i.e., that they are reserving their major resources for north-south — which is south — headed trade with the United States under the FTA in NAFTA.

Now I'm a strong proponent of an east-west electricity grid for Canada, for example. During the Ontario electricity blackout a few years ago, Ontario was forced to purchase expensive electricity from the United States. While the lights were out in Ottawa, just across the river in Hull, the lights in Quebec were burning brightly. While Ontario is short of electricity and contemplating building several new nuclear reactors, both Quebec and Manitoba have surpluses which they are seeking to sell into the United States.

Unfortunately and incredibly this country has no national east-west energy electricity grid. Each province has its own electrical capacity more closely tied to the states to the south of

it than the provinces next door. British Columbia, BC Hydro is tied tighter to the American utilities; Manitoba tied to the Minnesota grid. That's the way it goes across the country. And in the early 1960s, Prime Minister Diefenbaker tried to hammer out an east-west energy grid, and it still has not happened today.

So that leads me to my second question about this agreement I want to leave with you. Is electricity included under the exemption for energy? As mentioned, both Alberta and BC list energy prominently in their exemptions, so it's not clear on a simple reading of this document. There are serious implications for any attempt to provide what Canada needs and insofar as this agreement can be construed as simply reinforcing or as a companion agreement to the FTA and NAFTA, I would suggest that it's highly counterproductive for Saskatchewan and for our country.

It was suggested at these hearings yesterday that either party can withdraw with a simple one year's notice, so what's to lose by Saskatchewan getting involved and signing up to try it out? This of course is the same argument that Mr. Mulroney used in the legendary 1988 free trade election debate when the opposition leader John Turner challenged him on television and he replied, get serious. This is a commercial transaction and cancellable on six months notice. But it doesn't work that way. These agreements tend to become institutionalized quite quickly.

And we were promised many good things would flow from the FTA and its successor NAFTA — some of the same promises that are being made here today. I listened with interest to the preceding presentation by the executive director of the chamber of commerce and was struck by the virtually verbatim repetition of the promises that were made about the FTA and NAFTA. And I think it's worth taking a look at those just to recall what we were told would flow from those agreements.

We were told that we would have a higher standard of living. And I remember the minister of Finance, Michael Wilson, said that, in talking about, in 1988, every credible economic study on the Free Trade Agreement has said that there will be increased economic growth. The Free Trade Agreement is going to lead to economic growth in the country over and above what is the case today.

One study that the government commissioned — a little bit similar to what you've talked about, the study you've commissioned here — predicted that economy could grow as much as 8 per cent if we signed the Canada-US Free Trade Agreement. So what's happened? In the 40 years prior to the Canada-US Free Trade Agreement, our GDP growth averaged over 4.5 per cent per year. And since, from 1989-2005, our average has been 2.6 per cent — roughly half.

So, much our standard of living relative to the rest of the world has actually fallen. We used to be at the top of the UN's [United Nations] list of best countries in the world in which to live. We had been for several years. We've now fallen to fifth or sixth place. Norway has replaced us. Little Norway — which stayed out of the European Union, incidentally — has replaced Canada at the top of this list of best countries in the world in which to live.

We were told that we would have a stronger Canadian corporate sector if we signed the Canada-US Free Trade Agreement. Instead, over 12,000 Canadian companies have been taken over mostly by foreign corporations since we signed it, since the beginning of last year, over 600 Canadian companies taken over with a total asset value of some \$156 billion. This includes the iconic names of MacMillan Bloedel, Terasen Gas, Molson's, Hudson's Bay Company — Canada's oldest corporation with all of its priceless historical artifacts all sold to a North Carolina company.

Now it's Alcan and even BCE, Bell Canada Enterprises is in play. There are now fewer than 10 major, widely held Canadian companies left listed on the Toronto Stock Exchange. Even the head of the Royal Bank spoke out last week about his concern about the hollowing out. And the famed oil man from Alberta, Mr. Haskayne, has said I'm just sick thinking about Alcan.

So this is what has happened contrary to the promises, and now we're told well to make things more efficient we should adopt the US dollar as the common currency. Some of you will have seen the editorial in the Saskatoon *Star Phoenix* the week before last calling for us to consider adopting a common currency for North America for efficiency reasons and because our dollar has been rising. The implications of this for our sovereignty are profound.

These takeovers have been largely without benefit to Canada. They're not creating jobs. Actually they're often cutting back jobs, but they're losing us the head offices that are so crucial to our research and development in this country.

In agriculture we were told originally that it was not going to be in the free trade agreement. It turned out to be the longest chapter in it, and we made 100 commitments to harmonize or to make identical our standards with those of the United States, everything from pesticide residues to labelling requirements. We were told that it would be good, excellent for prairie farmers.

Not far down the street here I debated our trade minister at the time in the largest debate in the country on the agreement. And he said, as a farmer, I should be happy because this was going to mean a big, new market for prairie farmers. Our livestock producers would be much better off. What's happened? What's it done to livestock producers? I can't count the number of livestock operators that have come to me and said, actually you were right on that, when the border was shut down, the actions that have been taken against our wheat. We've got tariffs now on wheat that we never had before — 10 actions taken against the Canadian Wheat Board. Our farmers have multiplied our exports over 300 per cent since the agreement went into place, and we've seen the kind of dismal income levels of farmers.

In forestry before the FTA and NAFTA, we had no tariff on our lumber exports. Now ever since we signed those agreements, on a continuing basis, we've had a tariff from the United States. The industry has spent close to \$100 million in legal fees attempting to fight off these tariffs. We gave up just a few months ago \$1 billion to buy peace in our time. Mr. Harper said, we've finally got peace on the softwood lumber file, gave up the billion dollars. Now just last week the industry, the US industry, once again applied for consultations, and they're

going right back at it. And the reason is simple. They want control and ownership of Canada's Crown-owned forests. So we still have tariffs.

In energy we were told that this would be great for us. What's happened? Our energy prices have spiked dramatically. We were told some two years ago, well the reason our energy is spiking is because there's been a hurricane in the Gulf of Mexico. The oil rigs have been toppled. This is why the energy prices have gone up.

But there were no oil rigs toppled by hurricanes in Alberta or Saskatchewan. So why did our prices spike? They spiked because we have signed ourselves into, locked our energy reserves into the United States in a way that our prices are going to follow theirs exactly.

We gave up our reserves. We used to have a 25-year reserve requirement for natural gas in Canada before we could export. Now we've abolished that. All of it can be exported. And we've, in the energy section, we agreed that even if we face a shortage in Canada, we'll never charge the Americans more for any energy good than we charge Canadians, and we'll continue to send the same proportion of any energy good across the border that we were selling before the shortage.

So I'm not aware of any country in the world signing away its energy resources in such a complete way as we've signed under this Canada-US Free Trade Agreement.

So insofar as the TILMA appears to simply reinforce the FTA and NAFTA and do nothing to strengthen east-west trade in our most crucial products, it appears, in the words of the old song, that the "dangers are many and the pleasures are few."

Under the stated aim or guise of promoting free trade or liberalized or enhanced trade, we signed these agreements — the FTA and NAFTA. They have made us worse off in relation to the United States than when we traded under the multilateral framework of the GATT.

Our access to the US market as I mentioned is actually less secure after we signed these agreements than before we signed them. Before we signed it, we didn't have tariffs on our wheat. We didn't have tariffs on our softwood. We didn't have all of these actions that have been taken because the Canada-US Free Trade Agreement gave the Americans the right to use their trade law, as John Turner said so famously, as it may be amended from time to time freely against Canada any time it wants.

So it was called free trade. It was called liberalized trade, and all those of us who support that concept were told that this would promote that idea, and it did the opposite.

I cited the tariffs on our wheat, the actions against steel, durum, hogs, lobsters, potatoes, raspberries — a whole long list. And of course under the FTA and NAFTA, Canadian industry has to pay the cost of hiring those lawyers in Washington whereas under the GATT, the WTO, the legal costs of a Canadian company that's targeted are covered by the federal government. So that's why our hog producers had this huge bill they had to pay. That's why the softwood lumber producers had to pay the 100-odd million dollars in legal fees.

So there was no crisis, there was no necessity. Our tariffs were low and disappearing under the GATT. There was no dramatic reason for us to consider the Canada-US Free Trade Agreement. And it was one of the reasons that Mr. Trudeau called the FTA a monstrous swindle. And because his words may have some relevance for us here today, I'm going to just quote what he said. He said:

... the commendable goal of promoting freer trade has led to a monstrous swindle, under which the Canadian government has ceded to the United States [of America] a large slice of the country's sovereignty over its [economy and] natural resources in exchange for advantages we already had, or were going to obtain in a few years anyway through the normal operation of the GATT.

So the only secure access any country has is to its own internal market. And in chasing this idea of secure access to the US market, we've lost and given up access and secure access to our own market.

Now just before we turn to the questions, I want to sum up. The FTA and NAFTA have turned the trade lines north and south to the detriment of our east-west links. For example our Prime Minister refers to Canada as an energy superpower, yet over 40 per cent of Canadians are dependent on imported oil and gas. The Maritimes, Quebec, and parts of Ontario are all forced to depend upon the vagaries of imports of foreign oil. So we're an energy superpower that cannot even guarantee a secure source of domestic oil and gas to all Canadians, and we have no plans to do so.

There are several proposed north-south pipelines, but there are none proposed east-west across the country. So to me it seems that, in a strange way, this agreement in front of us here today, the TILMA, is trying to respond to the abnormal situation where Canada has holus-bolus turned its trade lines north and south, committed its resources to the United States, committed to help the US with its energy security, jeopardizing our own east-west domestic trade needs and energy security.

But I don't see this agreement as written doing anything to help that east-west need. And I think it may actually help reinforce the north-south focus rather than helping to correct the situation where we're far too dependent on one foreign market.

So what should we be doing? I have long called for a serious blue-ribbon review of the impact of our main free trade agreements — the FTA and NAFTA — on our country. The provinces should each be part of that review. Saskatchewan in particular should be part of that review, and we should be looking with particular emphasis on the impact these trade agreements have had on agriculture in this province.

And as some of you may know, I raised that suggestion when I ran twice for the leadership of the federal Progressive Conservative Party. It was part of my agreement with Peter MacKay, which led to him becoming the leader of the party. And we did set in motion that blue-ribbon commission which had some prominent Canadians on it, including the founder of NOVA Corporation, the largest employer in Western Canada, Bob Blair on that panel, which was of course aborted when the Progressive Conservative Party got taken over by the Canadian

Alliance.

But this idea would involve a thorough look at our trade situation, one in which we are dangerously exposed to the US market to the point that 70 per cent of our international trade is now carried out inside US corporations. This is Cargill grain for example trading our cereals, our grains to its customers around the world. It's Imperial Oil trading our oil and gas. These are Canadian products being traded inside US corporations. This is a problem for Canada.

And part of the review should be how to rebalance and reinvigorate the east-west flow of goods within Canada, including the lumber, the fish, the energy, and the areas specifically excluded from this agreement. Such a review should include cataloguing the existing barriers to east-west trade so that we know exactly what we're trying to get rid of before we set off on an ad hoc path that may not have been thought out and will for certain have serious implications for our country.

So those are my comments. Madam Chairman, I'm happy to entertain any discussion you might have.

**The Chair:** — The Clerk's office does point out to me that you haven't presented them with the materials to duplicate for committee. Is that your desire, that we would have that in hand at the end of your presentation?

**Mr. Orchard:** — I'm just working from my notes. It would be a nightmare for anyone else to try to decipher. So I'm sparing you that. But the articles that I have written will be given to you later. I'll select something from the many articles I've written on this topic over the last decade.

**The Chair:** — Thank you. I would open up to questions now with Mr. Yates.

**Hon. Mr. Yates:** — Thank you very much, Madam Chair. As I have indicated, and I think you've heard me say more than once, our deliberations have led to more questions than answers. The 36-page or 35-page document that we see as a potential TILMA agreement is more of a framework leaving a number of things unanswered.

With your long experience — and I think we have to acknowledge the long experience you've had and your involvement in trade issues in Canada — are the concerns being raised by others legitimate, concerns about the integrity of our Crown corporations, two-tier medicare as a result of an encroachment by US companies. Are those legitimate concerns under this agreement?

**Mr. Orchard:** — Well I haven't read all of the concerns. I attempted to read the documents that were presented to you yesterday, but I certainly haven't read them all. But in my view this agreement is putting the cart before the horse, and it's premature if I can put it that way because I think we need to take a pan-Canadian look at how can we increase the east-west flows of trade in Canada before we start jumping into an ad hoc arrangement. I think you mentioned earlier, or perhaps it was Madam Crofford, about Quebec and Ontario now sitting down to talk and Alberta and British Columbia. Is this going to serve

or is this going to further balkanize the problems in Canada?

And just looking back, when I was researching my book, at some of the problems that Mr. Diefenbaker had trying to knock the heads of the provinces together on the need for an east-west electricity grid, it seems like a no-brainer in the sense that a country like Canada, with some sections with surpluses of electricity and others desperate to try to get more and having no natural sources of energy, why would we not have an east-west grid? Instead we saw Ontario paying horrendous prices to try to desperately buy American power when Quebec next door had a surplus. And so I don't think we should do anything that was going to exacerbate this kind of regionalism.

I don't agree with the executive director of the chamber of commerce just before me when you posed a similar question when he saw no problem with Quebec and Ontario having their own agreement and Alberta and British Columbia having theirs. I think we should strive for a pan-Canadian effort, and of course the Agreement on Internal Trade is an attempt to do that. And it has solved, in my view, problems along the way. If there's problems with that agreement, I think it should be dealt with. It should be tightened up. If there's some problems with the dispute settlement mechanism, let's deal with those rather than jump into something altogether different.

**Hon. Mr. Yates:** — Thank you very much. You answered my second question before I asked it. As you may have noticed throughout the presentations, I've asked that very question of each presenter whether or not we should approach this from a regional or a pan-Canadian or a national approach.

My next question has to deal with the clarity of this document in comparison to others that you've examined. Does this document in your mind, is it clear enough that the province should take it at face value and consider entering into the discussions with the other provinces? Or does it in your mind, is it less comprehensive than other documents, less comprehensive than other agreements that Canada has entered into?

**Mr. Orchard:** — Well I think there is a number of things that can be said about that. First of all this idea that it's a take it or leave it proposition should be rejected out of hand.

Mexico was told take it or leave it, the Canada-US Free Trade Agreement. Well they didn't listen to that for a minute. They negotiated NAFTA, and they said, we're not going to sign our energy reserves away the way Canada signed with the United States. So the NAFTA has a whole separate carve out. Mexico would not make their energy part of the NAFTA agreement because they said, our energy is too important to us, and they wouldn't sign the provisions that Canada had signed that I cited earlier. So they renegotiated to get some of the things that they wanted. It's still causing tremendous problems, tremendous opposition in Mexico. But this idea that Saskatchewan has to take or leave this document and jump yesterday and do it, I don't accept that for a minute.

But even beyond that, in terms of the overall thrust, is it vague? It's certainly not vague on disputes. The dispute settlement mechanism is crystal clear. It's very concrete. It gives judicial power to enforce those awards of \$5 million. So it's very clear

about that.

There is, I would say, a certain vagueness. I've raised this question about energy. Is energy excluded? On the face of it, it says it is. How can that be? Why would Alberta exclude its biggest export if they're talking about free trade? So there's a whole . . . Why would British Columbia exclude its forest products and its fish, when those are its biggest exports if we're talking about exports. So that is a vagueness.

But again it comes back to . . . I think Saskatchewan would be advised to sit back and push for a pan-Canadian alternative that's going to increase our trade all across. Canada trades a lot to the east of it as well, I mean Saskatchewan trades a lot to the east of it as well as to the West and we need to, I think, harness all of that.

**Hon. Mr. Yates:** — Thank you very much, Madam Chair. Those are my questions.

**The Chair:** — Mr. Chisholm.

**Mr. Chisholm:** — Thank you, Madam Chair. You've commented on the Agreement on Internal Trade, the AIT. And my understanding is that the Conference Board of Canada, when they did their report of a *Death by a Thousand Paper Cuts*, there was basically three determinations that they made was that the AIT was in fact . . . had made some progress in the 12-year period, but there was three major reasons or recommendations to improve the AIT which would improve this east-west trade, I think, that we're talking about.

One of them was that free trade should be established as a standard for interprovincial trade agreements. Secondly was that there would be . . . A dispute settlement mechanism was required so that there was some effect to the agreement itself. And the third was that agreements among and between provinces should be encouraged to make progress on internal trade within the country. So I see the TILMA agreement as an answer to those three policy recommendations, not to diminish AIT but to strengthen it. I wonder if you could comment on that.

**Mr. Orchard:** — Do you think that Quebec will be more likely to join an agreement that's been already negotiated between Saskatchewan and Alberta and British Columbia and are told to take it or leave it?

**Mr. Chisholm:** — I would suggest that's probably not likely.

**Mr. Orchard:** — That's my feeling too, that I think that we're going to exacerbate and increase the likelihood of the sectoral arrangements in the country that are going to . . . We're already the most balkanized federation in the world, the most decentralized federation in the world, much more so than the US states. And if we're going to set up these trade agreements between one or two provinces or two and three provinces it's simply going to, in my view, exacerbate the solitudes we've got in this country. I think we need to break them down.

That was one of the reasons I opposed the Meech Lake Accord because of the increased powers it gave to the provinces at the expense of the central government. I think we need to do all we

can to break down the barriers between Quebec and the rest of Canada. We need to have more cultural exchanges between Quebec and the West. We need to have more commercial exchanges, in my view, between Quebec and the rest. And when Sask Transportation bought their buses — their Prevost bus — from Quebec I think that's a great thing. But I can't agree with this Conference Board theory that having these internal trade agreements is going to facilitate national east-west flow.

**The Chair:** — Ms. Crofford.

**Ms. Crofford:** — I don't know if you have an opinion on this, but you might. When we looked at the NAFTA rulings for an example of what kind of things are under these rulings, Canada has so far paid out 27 million to the US. Mexico has paid out 18 million, and the US hasn't paid out anything to anyone. Can you tell us any reason why that might be so?

**Mr. Orchard:** — Size matters.

**Ms. Crofford:** — For the listening audiences at home that'll be . . . Yes, that would be the conclusion you would come to, but I'm no expert on this. But it seemed rather strange that one country is doing everything perfectly and would have no trade.

**Mr. Orchard:** — Just to go back, I don't mean to pick on Mr. Windsor-Smith unduly, but he threw out a number of provocative statements there, and he said there's been no red flags thrown up in terms of challenging practices, whether it was a revitalization of downtown Calgary or such. Well I can point out that these challenges under NAFTA didn't begin immediately either.

And one of the most dramatic under the Canada-US Free Trade Agreement was when the Ontario government came to power in 1990, the NDP [New Democratic Party] government there promising public auto insurance. You will remember Bob Rae's plan that he was going to introduce public auto insurance in Ontario the way Saskatchewan had and Manitoba, British Columbia had. Well he came to power and State Farm, the largest seller of auto insurance in Ontario and other insurers, US insurers, challenged Ontario under the monopoly section of the Canada-US Free Trade Agreement, and we all saw the result when Ontario backed away from their plan. And no other province, even though it's been thrown up by New Brunswick and mooted by others, no other province has dared to introduce public auto insurance since.

Now you're talking about, under the chapter 11 of NAFTA, one of the first challenges and one of the very dramatic ones was the MMT case when Canada banned the importation and transportation of the gasoline additive MMT into Canada. It was an anti-knock additive to gasoline that replaced lead and made by Ethyl Corporation of Virginia. When Canada banned it, calling it a horrific neurotoxin, California had already banned it, the Europeans don't allow it, and Mr. Chrétien in the House of Commons said because of its impact on the human nervous system Canada was going to ban it. Ethyl sued Canada under chapter 11 of NAFTA.

At first the Canadian government said this is our environment. We can pass regulations. We're not beholden to anybody. But

very soon they realized what they were up against, and they ended up settling this and paying \$14 million US to Ethyl, and they issued a statement. Ethyl wanted a statement to take to other countries around the world saying that there is no proof that their additive caused a problem. And we once again allowed MMT into Canada. And there was a health study being done by a US corporation that came to Toronto to study the impact of the MMT coming out of the tailpipes of cars on the population of Toronto because there was no city in the United States that was using it.

So that's a kind of an interesting example. It's not only the money that you're talking about there, but it's also the impact on social and environmental policy.

And I'm just going to add, Ms. Crofford, one more thing. One of the other major lawsuits being filed under NAFTA was when BC banned the bulk export of water to the United States. Sunbelt Corporation of California sued the Canadian government for tens of billions of dollars to force British Columbia to reverse their ban on the bulk export of water. So that case is still proceeding. But so, yes there's been money paid. There's two interesting Canadian cases launched in the United States against Americans; both lost. They not only didn't get any award. My understanding is that one of the major ones actually went broke as a result of the costs they had of launching that. But no, you're right; they didn't get paid.

**Ms. Crofford:** — And my only other question is, do you think there's still some merit to the notion of a blue ribbon panel? Because what I'm thinking of particularly in Saskatchewan is agriculture. I mean this is pretty fundamental in terms of major economic interests in the province.

**Mr. Orchard:** — Yes I think there is this whole . . . And I'm pleased to see some of our major leaders, the leader of the Liberal Party has called for just such a panel to review the takeovers of Canadian companies that are happening right now, and a review of our investment provisions regarding the takeovers.

Incidentally one of the provisions of the Canada-US Free Trade Agreement stated we can no longer screen or restrict any US investment coming into Canada. So that's kind of the straightjacket we've signed ourselves into.

But there are many political figures and business leaders — I mentioned several of them — that have spoken out about what are we going to have left. Even the former premier of Alberta, Peter Lougheed, made the famous comment: after all these takeovers, what are we going to have left if we have no head offices in Canada?

When we see these major companies that were made, grew up in Canada, I want to see more Canadian success stories, not less. But we'll simply be reduced to delivering our raw resources out of the country and seeing them processed somewhere else when we should be producing a Canadian automobile, a pollution-free cutting-edge Canadian automobile. We should have all kinds of industries, a shipbuilding industry in this country. We've got the resources, the materials, but instead we're losing all of that.

And agriculture is a key example. It was raised earlier, I think by Mr. Stewart, the question of the lack of processing here. Why are we not processing more of, not only our agricultural goods, but others here in the province? And so, yes, I think the blue ribbon panel with Saskatchewan pushing for a review of our whole trading arrangements would bear fruit.

**Ms. Crofford:** — Thank you.

**The Chair:** — Mr. Stewart.

**Mr. Stewart:** — Thank you, Madam Chair. Thank you, Mr. Orchard, for your presentation. I'll be honest with you. I'm far more interested in Saskatchewan's economy developing than I am in some perfect east-west trade deal that has never happened in 140 years and — in my view — never will in this country that's mostly ungovernable. Since it hasn't happened in 140 years that we've reached this type of a pan-Canadian trade agreement in the country, why do you think that that's even worth considering anymore? Or why do you think that it's a possibility in the foreseeable future?

**Mr. Orchard:** — Well maybe I remain an incurable optimist in terms of human potential. I think that Canadians can think for themselves, and also I think it's going to become a necessity. We've got half of our country depending on Middle East oil. How secure is that? We've got the United States publicly stating they've got a national energy policy to reduce their dependence on Middle East oil. There's wars that I would contend that are being fought over the subject.

So Canada, whether we like it or not, maybe Canadians are going to demand a secure, domestic source of energy. We're a cold country. It's not some luxury for us to have access to oil and gas. The tractors on my farm don't run on anything else either, so maybe Canadians are going to start to demand that of their politicians that, yes, the country is maybe ungovernable. But we've managed to muddle through for 140 years, and we've become one of the world's oldest functioning democracies. So perhaps we can also solve this problem of getting some of these key components east-west across this country.

We built a Trans-Canada Highway. We built a trans-Canada broadcasting system. We built famously a railway that tied this whole country together. John A. Macdonald was told that it was impossible, but he scraped funds from around the world, and he got it done. So if they could do it, I don't think we should throw up our hands and say we can't do it today. We've got all kinds of capabilities — intelligent people like you and others across the country that can govern this country — so that's really why I say we could do it.

**Mr. Stewart:** — Thank you.

**Mr. Orchard:** — I'd like to make one more comment. Sorry, I just want to make one more . . . unless there is another question. Was there another . . .

**The Chair:** — Okay. Seeing none, so if you would like to make a closing comment.

**Mr. Orchard:** — I'm just going to respond to this idea of

isolationism just to finish up with my interesting dialogue with Mr. Smith-Windsor here who can't respond to me. But this idea that it's isolationist if Saskatchewan doesn't do this and that we have a lack of confidence in ourselves, all this terminology — this is the same stuff of course that was thrown at us on the free trade debate.

Canada's one of the most open trading countries in the world. We're the most multicultural country in the world. Anyone who goes to Toronto or Montreal or Vancouver can see that. And this province is an open trading province. We trade around the world for heaven's sake. But Norway had a referendum, two referendums, on whether they were going to join the European Union. They twice voted no. They had their last one was in 1994. Raging debate and the proponents said, Norway's going to be left out in the cold. They're going to be isolated. Norwegians are going to be left out in the North Sea there. They had all kinds of the same kind of talk. Norwegians went to the polls and voted against it.

Norway has now soared to the top of the best countries in the world in which to live. They have a rainy day fund of — what? — \$240 billion and counting I think, the last time I had looked. Alberta has a reserve fund of — what? — 20, 15 or \$20 billion, and their reserves are about the same.

Norway doesn't use any of their oil and gas revenues for running their country. It all goes . . . They consider that a one-time windfall. It all goes into the investments that are going to give Norwegians the standard of living, an astronomical standard of living for the rest of foreseeable future. So that's what Norway got by thinking their own thoughts and saying they didn't buy this thing about being isolationist.

Switzerland has stayed out of the European Union. No one's told them their standard of living is falling. They've kept their own currency. They've got their multi-nationals. They keep their Cyba-Geigy, Nestlé's and others — little country. So this idea that they were isolationist, if Saskatchewan says we're going to think about this and we're going to reflect on it and we're going to do what's best for the province . . . It doesn't wash.

And just to end up on the margarine case that everybody raises, the fact that Quebec doesn't allow coloured margarine, they don't allow coloured margarine in Quebec because the dairy farmers in Quebec have clout. And they don't want coloured margarine, which is dyed to look like butter, taking their market. The problem is we don't have clout. The Western farmers out here don't have clout. So this idea that it's some crime that Quebec won't allow the dying of margarine, I don't think that's the be all and end all of the world, and I'm sure the dairy farmers of Quebec don't think so either. So thank you.

**The Chair:** — Well we thank you very much for your time and effort to present to us. You obviously have a following. To that, I would mention that we're going to take a lunch break now. To be able to secure the room properly and allow the staff to go to lunch, we'd ask if you want to visit or have questions, if you would just proceed orderly out into the foyer, that would be very, very helpful to us. Again thank everyone for their diligence.

We do have now the Lloydminster Chamber of Commerce right after lunch at 1:30. So I would urge members to be back here for 1:30 sharp.

[The committee recessed for a period of time.]

**Presenter: Lloydminster Chamber of Commerce**

**The Chair:** — And I thank them for returning as quickly as possible. I know it's rushed at times with the lateness of some of the presenters. So with that we do have representatives, I believe, from the Lloydminster Chamber of Commerce. And we'd welcome them and ask them to come forward to speak to committee. Committee members, we have before us Robert Lundquist, the vice-president, and Pat Tenney, the executive director of the Lloydminster Chamber of Commerce.

As I've mentioned to presenters throughout the morning, we welcome you on behalf of the committee. We allow about 15 to 20 minutes of overview presentation, and anything that you'd like to have as a part of the audio streaming and/or the *Hansard* record you would read into the proceedings. And any material that you provide for the committee will be recorded as such and given to all committee members for their base of information.

We thank you for the time and effort that you've taken to be before us. And when you're ready we'd be happy to have you begin.

**Mr. Lundquist:** — Well thank you very much. First of all we want to congratulate the Saskatchewan government for taking the time to establish a committee to study the whole TILMA process. And I thank you for having us here today. We do have a handout that's before you. Please take the time to note that it's the Lloydminster chamber that's presented this. Pat, we made one copy for ourselves, and unfortunately that was the one we had that your people actually . . .

**The Chair:** — Somebody provided us all with copies, and we thank you.

**Mr. Lundquist:** — Thank you. The Lloydminster chamber felt as though it very important that we be here and speak to the whole TILMA process. As you're aware we're a border city, and we've sort of lived in a mini-TILMA since 1934. Lloydminster has lived under a special charter with Alberta and Saskatchewan since 1934. And it's become sort of living proof that we can work interprovincially on a lot of a lot of issues.

Lloydminster has learned to do business in many different ways that a lot of other places in Canada have never had the opportunity to do. And we've had to work very hard at overcoming the fact that we are a divided city, a border city, and not everyone's happy all the time. I can tell you that. We have a lot of issues that come to rise, but most importantly the framework that we have under The Lloydminster Charter, most everybody comes to work together, and it works pretty well.

However if you move out of the city a half a mile or not even that far, sometimes right on the fringe edge of the city where in fact my business is, the street in front of me is actually . . . I'm in the municipality. The city is adjacent to me. We run into a lot of different business barriers, and those barriers are sometimes



very, very difficult to overcome because we sit in the jurisdiction we sit.

However there is many things that we have done in Lloydminster where we've learned to work together — our education system, our health system. Being divided by two provinces we still . . . Our education system for instance, the entire city is administered by Saskatchewan Education. Our entire health care system is administered by Saskatchewan. However there is an agreement where Alberta contributes to both, and we manage quite well.

Sometimes it begs the question, however, about the equity of funding. It's not always equal. Sometimes the big hammer's held over a lot of things in terms of development; however we do manage to work it out even though it's not perfect. Without some kind of a framework for decision and discussion, a lot of the issues that arise in our community would just be lost. I mean we would never accomplish the things that we've done.

A couple of examples of things that we have done just recently in the city is the tire recycling program. If you get your tires changed in Lloydminster — it doesn't matter which side of the border — you get your tires changed in a garage, you pay the recycling fee that is attached to the Alberta program. That is a city agreement. We have an electronics recycling program. If you buy electronic goods in Lloydminster, you pay a recycling fee that's based on the Alberta principle. That's just two examples of things that happened.

Certainly protectionism doesn't always work. We have to find a better way to do business across this, across the borders and most particularly right across Canada. And certainly harmonizing allows people to stay and work where they live rather than be forced to leave as we see happening certainly in our community. And partnering with neighbouring provinces under negotiated agreements will not cause an out-migration. In fact it will help to keep people at home where they can actually live and do business.

In Lloydminster we have a fairly unique situation where there is sort of a free movement of professionals over the province because of unique situations. However each is licensed in their own jurisdiction. And actually there is no reason why our provinces shouldn't and couldn't retain our own structures pertaining to taxes, social programs, and the like. Let's explore other possibilities and options to opening up trade and labour mobility that can be put in place, a framework for working out some of these differences.

Saskatchewan could have the most to gain from an agreement, TILMA agreement with other Western provinces. And it would help us with the mobility of workers. It also has the most to lose if we sit on the sidelines and go forward with just protectionist policies.

Perhaps the elimination of existing barriers would help to solve some of the underground activities, such things as the movement of animals, food, alcohol. Those are things that happen within our own community. I mean we see on the Alberta side of our city open liquor stores, numbers of them, and on Saskatchewan side one government-operated one. And I believe that perhaps eliminating of existing barriers could solve

some of this underground movement and would eliminate some of the work that's done underground by some of our trades and professional people.

Nationally and internationally we recognize one driver's licence and one registration for vehicles, and when we as visitors travel across the country and abroad, we accept these as one practice. Harmonization and recognition of regulations for tradespeople and professionals could benefit Saskatchewan.

Right now people are choosing to live and work in other provinces because Saskatchewan doesn't make it easy for those to live and work in Saskatchewan. No place is there more evident than in Lloydminster. We only have to look at the growth of the city on our west side, on our Alberta side of the border, and we see very clearly what's happening. If Saskatchewan doesn't sign on to TILMA, we will continue to be an isolated province that will not be taken serious by other Western provinces. The credibility of Saskatchewan as a have province will be overlooked or unrecognized and the opportunities will be lost. Will we join in the modern world or we'll just be passed by?

There's a lot to learn from our Lloydminster experience. We hope that the committee will seriously consider joining the TILMA program. It would be very good for Saskatchewan and regardless of what the trade unions might tell you. Thank you very much for your time and we would entertain any questions that you'd like.

**The Chair:** — Thank you very much for your presentation. We have a speaking order of Mr. Stewart, Crofford, then Yates. Mr. Stewart.

**Mr. Stewart:** — Thank you, Madam Chair, and thank you for your presentation. We appreciate it very much. One thing that I interpret from what I've seen of the agreement is that new-growth tax incentive for business and municipal tax abatements may not be allowed. Do you have any . . . To me that this seems like a bad thing. Do you have any comment on that or any insight into where the negotiations are in regard to that?

**Mr. Lundquist:** — You're speaking in terms of municipal taxes or provincial taxes?

**Mr. Stewart:** — Well yes, municipal tax abatements to lure business to a jurisdiction by a municipality or new-growth tax incentives . . . but probably on behalf of the province. I understand from my reading in the deal that they would not be allowed anymore. Do you . . .

**Mr. Lundquist:** — I certainly, we certainly realize that there is that possibility. I think, I believe the agreement with BC and Alberta — and believe me I'm not an expert on this — but I believe that there is that exact issue, certainly the question has been raised. And I believe that each jurisdiction should . . . I don't think we should lose our identify as people of Saskatchewan. I think we have to be able to maintain our tax system, our social structures and all the basic things, but I think that if we don't at least entertain the discussion, I think there's going to be too much lost.

Certainly in Lloydminster we don't see any issues, I don't think

— Pat? — between and the taxation municipally between the Alberta-Saskatchewan side. The mill rate I believe is the same on both sides. Now I'm not absolutely sure about that. Maybe you can answer . . .

**Ms. Tenney:** — Well I think there's still a lot of things that municipalities have to learn about TILMA. And in fact tomorrow, our municipality will be meeting with government representatives in Alberta to look at what this agreement will mean to municipalities, and I think that the municipality then will be able to make some decisions based on that. But I think it's still a learning process, and so I would hope that the province of Saskatchewan might have the opportunity to enter into that learning process and see what kinds of things we can take from it that will work for us.

**Mr. Stewart:** — Thank you. That's all, Madam Chair.

**The Chair:** — Ms. Crofford.

**Ms. Crofford:** — I'll start with the easy one first. This comments about trade people. Now it's my understanding that there's a Red Seal program that all provinces except for Quebec and BC agree to right across Canada that makes the qualifications of journeymen tradespeople transferable right across Canada. What is the particular trades problem you're experiencing in terms of mobility of tradespeople?

**Mr. Lundquist:** — That is maybe not quite as true as you might think, that Red Seal program, because we do have, when it comes to people interprovincially within our city, they fall under different licensing standards. So we spoke about that yesterday, Pat; I think you can make a comment to that in terms of the standard that someone . . . our ambulance workers for instance. One of our board members mentioned that.

If you are a Saskatchewan registered paramedic, for instance, if you were to apply as an Alberta paramedic in the city of Lloydminster . . . So you're Saskatchewan registered. You go to Alberta for an Alberta licence so that you can work both sides of the border. The permit might take up to . . . What did Aaron say? About . . .

**Ms. Tenney:** — I think he said up to three months, and I don't know that there's . . . Certainly what we see in Lloydminster is not so much that you can't do it or that there isn't processes in place but the cost to the business to be licensed in two provinces, accredited, that sort of thing.

**Mr. Lundquist:** — If he was an Alberta paramedic that was asking for Saskatchewan registration, he would probably have his number in about five minutes. However if you're from Saskatchewan going to Alberta, it's a whole longer process. The other thing interprovincially that they have to pay a fee in both provinces . . . they pay \$400 in Alberta. They'll have to pay \$400 in Saskatchewan. The point we're trying to make is, is if we are one city sitting in one jurisdiction, why do our paramedics for example have to pay two fees, one in Saskatchewan and one and in Alberta, when they're serving the same area?

**Ms. Crofford:** — Alberta should just quit doing that.

**Ms. Tenney:** — I think the other thing, I think the other thing as well is not all trades are under Red Seal.

**Ms. Crofford:** — Yes.

**Ms. Tenney:** — And so it's, you know, those trades that aren't.

**Ms. Crofford:** — I don't think this would be considered a trade.

**Ms. Tenney:** — Right, and certainly for professionals as well. Yes.

**Ms. Crofford:** — Yes. Now professionals, we've had a lot of professionals present here, and I think most of them felt they're making good progress on that, almost to the point of completion for most of them. But the Red Seal was specifically trades and because the words tradespeople was used I . . . okay.

The next one is there are some kind of sweeping words here like protectionism and isolationism. And we did have presenters who said according to Stats Canada and OECD, we're the second highest trading province in Canada and the first — and that's behind Manitoba not BC or Alberta — and the first in terms of productivity and growth. So I'm not sure what you're referring to.

**Mr. Lundquist:** — Can you comment on that?

**Ms. Tenney:** — Can you repeat that?

**Ms. Crofford:** — Well the words are used in here — isolationism, protectionism — and I'm not sure what they mean because we're the second highest trading province in Canada and the highest in terms of growth and productivity. And so I'm not sure what those phrases are referring to. I just want clarity on what those phrases refer to.

**Ms. Tenney:** — Well I think in terms of isolation, if we talk to our Saskatchewan businesses and the fact that they're not being able to attract or support those individuals or investors, I guess, that may be wanting to come into Saskatchewan and invest, they're feeling that they're isolated, that those business-friendly kinds of things that need to be put in place to attract investment into Saskatchewan aren't there. So it's their feelings of isolation.

**Ms. Crofford:** — So those would be some of the things that municipalities do like create tax exemptions for five years or . . .

**Ms. Tenney:** — Possibly, but they could also be things that provincial governments do as well.

**Ms. Crofford:** — Okay. See what we're trying to find here, our task from the minister was to be as specific as we could be about trade, investment, and labour mobility barriers, and then to look at whether TILMA is the way it needs to be solved.

I mean it would seem to me for example that Alberta, if they want equality of qualifications, they can just quit stopping our guys from being there, but that's maybe a bit simplistic. So what we're looking for here is concrete examples.

**Mr. Lundquist:** — If I may give you one, this one pertains directly to government and taxation. It pertains to fuel.

If we have an Alberta contractor for instance that has a job in the patch in Saskatchewan side; he's a contractor to Husky Oil for example. Husky Oil has no border, no boundaries in our community. I mean they have equally as much oil reserves on the Alberta side as they do the Saskatchewan side. If they have a contractor that for instance comes across the border that has purple diesel fuel in his Bob Cat skid loader loaded on a trailer, he has to change that fuel to operate in Saskatchewan, or he is subject to a fine.

**Ms. Crofford:** — So they allow purple gas in Alberta.

**Mr. Lundquist:** — Right.

**Ms. Crofford:** — Oh okay.

**Mr. Lundquist:** — Purple diesel fuel — this is diesel fuel — and gas. I mean if you're a contractor . . . Purple gas is obviously is a farm thing in Alberta, but purple diesel is not.

**Ms. Crofford:** — Okay.

**Mr. Lundquist:** — Okay. So he comes to Saskatchewan, into that jurisdiction, he is subject to a fine or change the diesel fuel.

**Ms. Crofford:** — Yes.

**Mr. Lundquist:** — If we have another contractor that has Alberta licence plates for instance on his contractors' trucks, he is limited to 30 kilometres. Otherwise there is an agreement, a mini-TILMA agreement between the two provinces that that Alberta contractor can come 30 kilometres into Saskatchewan and work on an Alberta plate. If he goes beyond that, then he has to register his vehicle. Those are specific . . .

**Ms. Crofford:** — Certainly this has been a recurring theme on the licensing, and it seems like that's something that should be addressed to make it easier for that kind of movement. The licensing thing has come up a few times.

And I'm not sure if I have another one here. I think that's it for me. Thank you.

**The Chair:** — All right. Mr. Yates.

**Hon. Mr. Yates:** — Thank you very much, Madam Chair. I guess I should start by remarking we got rid of purple fuel in Saskatchewan a long time ago. I think I was a little boy when we actually got rid of purple fuel, so I hope Alberta catches up . . . [inaudible interjection] . . . Do we have purple fuel? No.

**A Member:** — Is that a question?

**Hon. Mr. Yates:** — No, my question has to do with you have asserted here that you don't think that there will be any out-migration or changes as a result of the implications of TILMA. There have been reports, and of course a lot of these I think are speculation because none of us know exactly what will happen with any type of agreement between jurisdictions. But there have been speculation that it could result in

out-migration for a short period of time and then reverse itself.

But I guess the fundamental issue here is there are real issues between the provinces, but is this the best way to approach them — to put in place an agreement that's all-encompassing, that allows a third party to decide final outcome if the parties can't agree? You're the best example in Lloydminster of how the co-operation has worked. So is this the best approach?

**Mr. Lundquist:** — You know I think our approach has to be is that we have to work together. You know I don't believe that perhaps the TILMA agreement that's between Alberta and British Columbia is perfect. We're not saying that but the fact of the matter, that the two provinces are beginning to work together in terms of trade mobility, investment issues, etc.

And we in Lloydminster see that. We have lived underneath a mini-TILMA since 1934. And we believe that the Government of Saskatchewan should at least look at this whole process. And there are agreements that can be made interprovincially to make business and allow business to flourish and do better. That is all that we're trying to say. I'm not saying that the TILMA agreement as it is today is perfect, but we certainly have to be working towards that end.

**Hon. Mr. Yates:** — Now taking that a step further, do you believe it's the approach that the Government of Saskatchewan should enter into? Not saying that the issues don't need to be dealt with, but is this the approach that we should enter into this agreement? There is some reluctance, I think, in the fact that we weren't originally at the table. It's acceding to an agreement that others have put together. We weren't invited to be at the original tables. We weren't invited to participate originally. And basically it's take it or leave it, and then you can negotiate, during the transition period, exemptions and issues pertinent to your province. But the framework is take it or leave it.

Or should we look at a national pan-Canadian approach with some changes? It's really what approach should we enter into, looking at what's best for both the province of Saskatchewan but perhaps for Canada as a whole?

**Mr. Lundquist:** — We're certainly not aware of whether Alberta or BC have offered anything to Saskatchewan or not. The purpose of us being here is to say that we know that interprovincial interaction can happen. We're a living, breathing experience in Lloydminster. And negotiations are good. They're healthy. And things can get done and things can be achieved. It happens routinely in our city.

And what we're telling here is please do not paint the whole thing with the same brush. Just because you don't agree that everything in the TILMA agreement as is now should be . . . because you don't agree, it should be wiped off the board. Absolutely have a look at it. There are many, many, many positives that can come from it for Western Canada and for this country as a whole.

**Ms. Tenney:** — And I think that do we need to have the elimination of trade barriers right across Canada? Yes. Of course we do. I think this is a start, and I think that Saskatchewan needs to be involved in that start.

**Hon. Mr. Yates:** — Thank you very much.

**The Chair:** — Mr. Chisholm.

**Mr. Chisholm:** — Yes, thank you, Madam Chair. The Trade, Investment and Labour Mobility Agreement is about creating a level playing field and, as I see it, a business-friendly environment. Could you comment on the division of business and residential, if you like, in Lloydminster just in general — I realize, I think Lloydminster, did it not just hit 25,000 people just recently in the last census? — just as to where that is going in the last number of years.

**Mr. Lundquist:** — Well obviously the growth on the Lloydminster side of the border is — on Alberta side of Lloydminster — is significant. Probably the growth there is probably 3:1 on the Saskatchewan side. Obviously sometimes it's a perception, I believe, that Alberta is a better place to do business, and in some cases it is. I mean if you're solely looking at income tax, you know, the ability to put money in your pocket, probably it is the best place to be.

There are very positive things to being on the Saskatchewan side of the border too in terms of business.

In terms of residential development, a lot of residences are being built on the Alberta side of the border simply for economic reasons. That is where the higher end real estate market is, and obviously people like to make money in real estate. If you buy a house on the Saskatchewan side, there's less cost to the purchase of the . . . the lots are cheaper. I mean the cost of building the house is exactly the same but probably not the same economic advancement that if you built a house on the Alberta side.

I think a lot of it is a mindset, quite frankly, that Alberta is the place to be and do business. But trust me and believe me; there is lots of opportunity on the Saskatchewan side too, and there is lots of business being expanded on that side.

**Mr. Chisholm:** — Thank you. If Saskatchewan was not to participate in this agreement, do you see it as being even another factor in the future of the difference between, say, being in Saskatchewan and being in Alberta, in that Alberta and British Columbia now, for these purposes, are one large economic region?

**Mr. Lundquist:** — I don't think we would see a whole lot of difference in Lloydminster, Michael. But I do see we would see a huge difference between Vermilion and Maidstone. I mean the reality of it is that we already have a mini-TILMA in Lloydminster. And a lot of the things that happen in our city happen because we work hard at making that happen.

However I do see a lot of regional disparity. If you see what's happening in Vermilion, Alberta or Maidstone, Saskatchewan — which are almost identical distances from the border — you will see big differences there. That you will see.

**Mr. Chisholm:** — Thank you.

**The Chair:** — Seeing no further questions, we thank you very much for your efforts to be before committee today and the

information you've provided, and wish you safe travel.

**Mr. Lundquist:** — Thank you very much. Thank you for the opportunity.

**Presenter: Canadian Union of Public Employees  
Local No. 974**

**The Chair:** — We are a few minutes ahead of schedule, which is most unusual for us. But that being said, the next presenters are the Canadian Union of Public Employees Local 974. And if they're here and would like to come forward and make their presentation, that would be great. I'm told they'll be here in a moment. When the CUPE Local 974 appear, it'll be Carla Smith, the president, and Jacquie Griffiths, the union representative.

Welcome and just come on forward. Good afternoon. We've talked all about you before . . . I did introduce you but if you'd like to introduce yourselves before we begin. And I will mention that what you would want to have as part of our *Hansard* recording and proceedings and audio streamed would form a part of your verbal presentation, but the written material you give to us will be circulated to all committee members. And we've allowed about 15, 20 minutes for your overview presentation and then open up to committee questions and answers. And we thank you for the time and effort that you've put into your presentation and being before us today. And any time you're ready, just please to begin.

**Ms. Smith:** — So are you wanting my name? It's Carla Smith. I'm president of Local 974 which is a CUPE local, Canadian Union of Public Employees, and Jacquie Griffiths, who is a national rep for CUPE.

**The Chair:** — Thank you.

**Ms. Smith:** — The Canadian Union of Public Employees, CUPE Local 974 welcomes this opportunity to present our views on TILMA — the Trade, Investment and Labour Mobility Agreement, TILMA, to the Standing Committee on Economy.

CUPE 974 represents approximately 125 health care professionals at the Saskatoon and Westside community clinics, both of which are integral parts of our community.

The Westside and Saskatoon community clinics were two of the first health care co-operatives in Saskatchewan. In addition to medical services, our clinic aims to support positive programs and initiatives that benefit all people in Saskatchewan communities.

We are constantly examining the effects of poverty on health. We support publicly funded health care; advocate the for community clinic model of primary health care; study and usage of environmental effects on health; and our organization provides programs to improve lives of people who are at risk — children, youth, adults, families, people of First Nations and Métis descent, disabled persons, seniors, and particularly those living in poverty.

As the union that represents and is comprised of community

clinic staff, our members have a strong interest in not only preserving the pioneering legislation that made Saskatchewan famous, but actually expanding medicare and its benefits. Therefore it's our belief that public services, including health care, would be significantly jeopardized if Saskatchewan became a signatory to the TILMA agreement.

The members of Local 974 see no- or low-income families in our clinic every day who access our services and who need a non-profit health care system in order to access the services and medications they need for their families to stay healthy. TILMA would undermine our government's ability to pass legislation that protects the health of our people, including legislations of surrounding environmental factors such as housing, smoking, and adverse working conditions.

Our membership believes that Saskatchewan has set the standard for our communities to preserve and promote healthy living. TILMA would jeopardize our elected government's ability to maintain those high standards. For this reason and more, we would like the Government of Saskatchewan to refuse to sign the Trade, Investment and Labour Mobility Agreement.

Saskatoon leads the country in setting high standards for property maintenance. Enforcing these standards and in resulting house conditions is a priority for the city of Saskatoon. These standards provide healthy, stable, and safe housing for residents who are most vulnerable to substandard housing. As evidenced by the recent health disparity statistics released by the Saskatoon Health Region, safe, affordable housing is key to the health of everyone, but particularly to those most marginalized residents, many of who are our clients.

By TILMA's definition, anyone living in Saskatoon real estate could challenge the city of Saskatoon for enforcing a higher standard of health conditions in rental properties than the federal standards. As Saskatoon real estate market continues to heat up, investors and landlords from other provinces will continue to purchase properties to rent and will be allowed to maintain housing to lower and less safe standards, thus marginalizing our clients and core neighbourhood residents further.

Safe, healthy, affordable housing is the mainstay of a stable and vigorous urban neighbourhood. Saskatoon's core neighbourhoods are no exception. For a variety of reasons, Saskatoon is on the edge of being able to positively affect housing for our low-income residents which in turn positively affect their health and lower the amount of taxpayers' dollars spent on health.

We submit that it's unacceptable for either the conditions of our rental homes to be allowed to drop or for the city to be subject to any other damages under TILMA by which taxpayers' dollars would be provided to investors who want to continue to unhealthy and to unsafe living conditions. If you sign this agreement, the issue of housing alone would show that you are firmly placing the health of our clients second to the concerns of those who would invest in our core neighbourhood housing as a means of lining their own pockets.

In 2003 Saskatoon was successful in passing a comprehensive anti-smoking bylaw. Since that time, other Saskatchewan cities

have followed suit and banned smoking in public buildings and businesses. More recently Saskatoon has additionally banned smoking on public patios and decks. Additional steps are being taken to ban smoking in outdoor stadiums and similar venues.

Smoking and exposure to second-hand smoke is not a matter of personal choice. It is a matter of public health. We know that smoke and second-hand smoke is extremely dangerous to health. As a result, Saskatchewan communities have taken steps to prevent cancer, emphysema, lung and heart disease, and lightened the significant load that these diseases place on medicare and our taxpayers.

As Saskatoon's steps to ban smoking in public places and businesses is an action taken in the best interests of our people, it is unfortunate then that TILMA would allow a business or individual to claim that these restrictions on smoking harm their business or investment. It would be unacceptable for Saskatoon, Regina, and other Saskatchewan communities to be forced to allow this public health hazard to be reintroduced.

The Trade Union Act of Saskatchewan serves to protect workers from working conditions that adversely affect their health, safety, or well-being, as well to provide an ability for those workers to raise healthy and safe families. In these goals the Act is superior to other provincial labour relation codes which do not appear to value working people as we do in this province. Should Saskatchewan become a signatory to TILMA, our trade union Act would become subject to harmonization with the country's lowest standards. Laws which our citizens have worked hard to enact should be not be revoked or amended in order to harmonize with voters of another region.

The Canadian Union of Public Employees and our Saskatoon Local 974 are strongly opposed to the Saskatchewan government signing the Trade, Investment and Labour Mobility Agreement. We believe that the restriction on the legislation and governing powers of provincial government dilute the democratic system we use to elect our leaders.

As health care workers, the members of Local 974 believe that signing TILMA will have a negative impact for those health of our citizens, and regressive policies will undermine the steps we've taken as a province to protect our people and promote a healthy province. CUPE Local 974 thanks the Standing Committee on the Economy for your consideration, your time, and strongly urges the committee to report to its peers a recommendation that TILMA should be discarded by the Government of Saskatchewan.

**The Chair:** — Thank you very much. And we have a speaking order — Mr. Weekes, Mr. Chisholm next.

**Mr. Weekes:** — Thank you, Madam Chair. Thank you for your presentation. I refer to exceptions to the agreement, part V, general exceptions 1.f), and I'll just read them into the record again. "Social policy, including labour standards and codes, minimum wages, employment insurance, social assistance benefits and worker's compensation" are listed as exemptions to the TILMA. And so I put that out there to you, as I think that should alleviate many of your concerns that you stated concerning, you know, it protects the health of people, legislation surrounding environmental factors such as housing,

smoking, adverse working conditions. I believe that's pretty commonly understood that the agreement would not include that.

I guess my comment and my question to follow . . . The comment is that TILMA is basically just an agreement to reduce barriers for trade, investment, and labour mobility, and there is a number of studies stating the economic impact — the positive economic impact — to the province by signing on to the agreement and not only increasing GDP but the number of jobs that would be created up to 4,400. And that may even be low, according to some individuals.

I guess my question to you is just philosophically, if the province needs the tax revenue to continue paying for medicare, social services, and so on and public housing as well, both the municipal and the provincial government, it seems to me that, is the creation of wealth and the tax base that the government would be able to use to fund these, wouldn't that be of greater concern — or not greater concern but an important part of the whole economy of the province that would protect the very areas that you're concerned about?

**Ms. Smith:** — From what I understand — and I'm not an expert on TILMA — but from what I've heard, that although you say that the labour standards, the health care, all those things are exempt, at any point in time — from what I can understand — is those things can be put into the agreement, that all that has to happen is one of the provinces has to say, we want this exempt and it then will go into the . . . I mean there's a hearing and all that. But I mean that they would just go back into the agreement, that they're only exempt for this first agreement, and there's still, they're going to start to do more things and take them out of those that are exempt. I mean that's what I've heard so . . .

**Mr. Weekes:** — Yes, I understand what you're saying. It's just that whether there's an agreement or not, everything can be negotiated or discussed or changed. But you know, the basis to our medicare system and Canada Health Act, I don't see where it's under scrutiny or even involved with TILMA. But given that, thank you very much for your presentation.

**Ms. Griffiths:** — I'd like to add a little bit if I may. I think we're concerned about the legitimate objectives and, as Carla said, the ability to challenge them. With the push in Alberta for privatized health care, is that something that would override the legitimate objective of having a public health care in this province?

I think the other concern we have is that — and again I'm not expert on this agreement either — but it looks as if, if there was a challenge, it would be up to the government to justify, you know, whether private medicare or public medicare would be more restrictive. So the onus would be on the government to fight the challenge rather than a municipality or a school board or a health clinic.

I think from again my understanding of the Agreement on Internal Trade is sort of the opposite to which we have now; everything is exempt unless it's listed as included. With TILMA it's our understanding that everything's in unless it's exempted, and our understanding is that there is a strong

likelihood that by 2008-2009, those legitimate objectives would maybe be up for challenge. So we're really concerned about health care remaining in the public sector.

I service not only the health care clinic but service one of the regional health authorities in the province as well. And over the last year with the initiatives put in place by the current government, we are seeing that all of our — and this is within the northern part of the province — all of our technologist positions are being filled, and CUPE represents in those areas the provider group, and also seeing that we're getting huge amounts of people moving from Alberta to Saskatchewan. There doesn't seem to be a barrier for people to move within the health care system, and so we're not clear on what TILMA could possibly add to that in any way, shape, or form. I think the programs that the health regions and the government have put in place to recruit and retain within the health care sector are really starting to show progress and are productive.

**Mr. Weekes:** — If I may just to follow-up, I share your concerns about protecting Saskatchewan's medicare and social programs. It's interesting that you brought up about the labour mobility. We have now, Alberta and British Columbia's now identified up to 250 different professions that need to be streamlined to make them compatible in both provinces, and that's a question we always ask. You know, do you see any differences between accreditation in your field or other fields between Saskatchewan and Alberta or British Columbia?

**Ms. Griffiths:** — I'm not an expert on accreditations either, but I know that we have a higher standard in some areas than they do in other provinces. And I don't know if you can . . . So you know, I think like we really are concerned about the race to the bottom, that we will go with the lowest standards, I guess.

You know, another area I'm personally involved in is occupational health and safety, and there's a real concern in that area that we will lose the wonderful legislation we have if we have to go to the lowest playing field, which is Alberta. So we're really concerned about all of our legislation and the cost to the government of having to challenge to keep what we have.

**Mr. Weekes:** — Thank you.

**The Chair:** — Mr. Chisholm.

**Mr. Chisholm:** — Thank you, Madam Chair. Good afternoon. Further to what my colleague listed, some of the actual exemptions, the agreement also defines legitimate objectives which you referred to. And they're defined as protection of the environment, public security and safety, health and social services, conservation and prevention of waste of non-renewable or exhaustible resources.

A number of the concerns that you have specifically addressed, for example the smoking issue, housing standards, to me those would seem to fall under what we would agree would be legitimate objectives. We will be having an opportunity to meet with the people responsible for drawing up the agreement next week. And I just wanted to assure you that we will be asking some of these questions, that I would hope we could dispel a number of your concerns and your fears as to the extent of the agreement. So I'd just like to pass that on.

**Ms. Smith:** — I guess I would just like to then say to you, when you're meeting with them is that I think you have to ask the question . . . I mean, so they're exempted today. What happens five years from now? You know, that's one of the questions that concerns me is that they're exempted today, and you sign on to this today. Then five years from now, BC or Alberta say we want that exemption in the agreement now. What's going to happen?

**The Chair:** — Well I think that certainly since Mr. Chisholm brought it up and I'm Chair of committee . . . When the officials come, that's certainly been a discussion about whether or not the exemptions are there with the view to a negotiation and transition period, looking at ones that can be now part of the agreement and whether or not, what mechanism it is to put them in and out, what kind of negotiation it takes to do that. So we would certainly endeavour to do that.

Further questions?

**Ms. Crofford:** — I think that the questions I was going to ask have been asked. So I'm okay.

**The Chair:** — All right. Good. Well we thank you. Ms. Griffiths.

**Ms. Griffiths:** — I have another comment if you don't mind. I think we need to make it clear that from our perspective we're supporting the public sector and the legislation that we have. We don't necessarily want to see the corporations and the free market running our province. Certainly you know, in the information that we've gathered, we've been unable to get 10 clear objectives of why TILMA is good for us and what it will do for us. So I think, you know, we need you to ask those questions of the people that put it together.

What we're hearing is labour mobility, but for the profit of corporations basically versus the protection of the people that Carla and her members serve, which are people in poverty. You know, I heard earlier the comment about, do we think it would be better for wealth and tax base? These people are way below wealth and tax base. And I think that they would be really jeopardized by such a program as TILMA. Thank you.

**The Chair:** — Well we certainly did hear from earlier presenter, how much juice for the squeeze? We thank you very much for your time in being here to present to us. And certainly the information base will be shared with everyone. And thank you again. Safe travel.

We're checking to see if the Saskatoon Food Coalition is present and would be able to come forward. So there may be a momentary break while we find them. Maybe what we could do now is break, have a recess for about 10 minutes and be back . . . [inaudible interjection] . . . Well they're not scheduled till 3, so if we try and find them.

Well I'll call people back together at a quarter to three. The next group would be here soon, so maybe we could start at a quarter to three and keep moving along.

[The committee recessed for a period of time.]

**Presenter: Saskatoon Food Coalition**

**The Chair:** — Well we are back to order, and we are welcoming the Saskatoon Food Coalition, Janice Sanford Beck and Val Veillard, and Janice Sanford Beck is the coordinator for the coalition. We're thanking you for the time that you're taking to come before the committee and the presentation you've developed for us.

What I've mentioned to presenters would be that we're allowing about 15 to 20 minutes for you to provide a verbal presentation to the committee and an overview. If you would want something to be audio streamed out to the community or want to have something recorded that's important to your presentation for *Hansard* purposes, that should become part of your verbal record. The paper that you provide is recorded by the Clerk's office and distributed to all of us, so we all have it in front of us. If there's anything else after the meeting that you want to get to us, it would be through the Clerk's office as well. And with that I'd ask that you would please introduce yourselves and begin your presentation.

**Ms. Sanford Beck:** — As mentioned I'm Janice Sanford Beck, and I'm working as a coordinator with the Saskatoon Food Coalition.

**Ms. Veillard:** — And I'm Val Veillard, and I'm a member of the food coalition. So I'm going to start the presentation. I'm going to talk a little about some general things, and then Janice is going to talk about very specific things around the food coalition.

So I want to start by talking about how we want government to help us as a society to grow and develop. We want to think about, does removing these disincentives to trade and investment translate into more profitable business and that in turn is going to translate into a better community? Or are the community's needs best met through the policy-making activity of democratically elected governments whose decisions are influenced by public input?

When the two conflict, it's really the government's role to promote the best interests of the people, not the best interests of the corporations, in our mind. It is our belief that a healthy, vibrant community is going to be created by people working together; working together with the support of governments who are attuned to local conditions, skills, and aspirations. In fact Canada's governance model is based on dealing with these issues at the most local level appropriate. That's how the basis of our government and ceding the right to govern this way to investors is going to threaten our tradition of an active governance in tune with the needs of people.

I want to talk a little about the introduction of TILMA. It was signed in Alberta and British Columbia. There was very little consultation, almost no public information. The very way that it was done threatens our democratic process. After the agreement was actually signed, there was an NDP motion calling for full debate before the agreement came into force and that was defeated in the House. So it was essentially brought into play without any consultation.

Here in Saskatchewan on the other hand, we applaud the

government here for taking the opportunity to consult with the public and showing that they value democracy, and we expect that this will be followed through by thank-you-but-no-thank-you to TILMA. We'd be interested to know whether other kinds of consultation is being done besides this public consultation expressly searching for the needs and the opinions of government departments and municipal and school boards.

In British Columbia and Alberta the agreement will apply to municipalities and school boards in just two years time, and yet so far none of them have actually been consulted. None of the officials in school boards and in municipal governments have been consulted. If one of their policies should be challenged, their elected officials won't even be able to represent themselves at their defence. Only the province will be represented in the dispute panel. So many of them are starting to understand how this is going to affect them and already one municipality — Burnaby, British Columbia — has requested an exemption from the agreement. I think that tells us something about what they're finding out after the fact.

In Saskatoon where we have had the opportunity to look at this ahead of time, the city solicitor has examined the agreement, and he's determined that it would have a detrimental impact on the city's ability to govern. We believe this type of agreement needs to be looked at very carefully by provincial legal counsel and by municipal school boards and any other local authorities that might be affected. I also should mention that the Saskatchewan Urban Municipalities Association has also expressed grave concerns. So we see that, you know, maybe going through and just signing this thing without thinking about it probably isn't the best way to go about it.

I just want to talk a little bit about what we're being told about what the reasons behind this are and what we're maybe interpreting as the reasons.

TILMA's supporters are emphasizing the reduction to trade barriers — interprovincial trade, barriers to interprovincial trade — and cross-border recognition of credentials. Well in terms of interprovincial trade, research indicates that barriers to interprovincial trade are minimal and not a significant public concern.

And when it comes to cross-border recognition of credentials, these issues are much better being addressed, as they are being done, on specific approaches. That way we can maybe get a well-thought-out set of regulations rather than the lowest common denominator that TILMA is going to bring us to.

The deeper objective here seems to be on the reducing or — shall we say? — eliminating barriers to investment. And it's the impact in this area that has us concerned. It dwarfs any other effects that it may have, and it also poses the greatest threat to democracy.

In fact the entire agreement's built on the assumption that the market should be given free rein. Now we know that the market is pretty good at amassing wealth, but we also know that it fails in many other areas. In fact I dare say our coalition wouldn't exist if the market didn't fail in some fairly significant areas — the ones that our coalition came together to address.

This agreement doesn't take this into account. It takes the principles of international trade and investment, extends them amplified to provincial trade. So this has us worried. Interestingly enough many of barriers to investment have little, if anything, to do with cross-border trade. They have everything to do, though, with government's ability to meet public needs, and this is of significant concern to the food coalition.

So I'm going to turn it over to Janice now to tell us a little bit more about the food coalition and why we have concerns.

**Ms. Sanford Beck:** — Thank you, Val. As Val has said, the food coalition has specific concerns about local control over important matters that are relating to food. And we trace our roots back to the early 1990s when there was significant concern about social policy changes that were taking place at the federal level, and our members were concerned about the poverty that already existed and also were concerned that it would increase with these changes. And that's what we've seen.

So at that time organizations such as CHEP, the Saskatoon Food Bank, the Saskatoon Health Region, Quint Development Corporation, the Saskatoon Farmers' Market, Oxfam, and members of the public came together around one particular symptom of the increasing poverty that we were seeing, and that was hunger. And we very quickly developed a food security approach to this issue.

So our definition of food security is that:

A community enjoys food security when all people, at all times, have access to nutritious, safe, personally acceptable, and culturally appropriate foods, produced in ways that are environmentally sound and socially just and that respect local sovereignty.

So over 2001-2002 the food coalition met frequently and developed the Saskatoon food charter, which I've given you a copy of and which was adopted in principle by Saskatoon City Council in September 2002. And this charter provides the basis for the city to work toward meeting residents' right to food as laid out by the United Nations Covenant on Social, Economic, and Cultural Rights.

Now in an ideal world, as Val has mentioned, the food coalition wouldn't need to exist, and the food charter wouldn't need to exist. The market would ensure that the food system protected and enhanced the health of the environment and of all people. But we know that that's not the case. We know that people are still hungry, that farm land is being destroyed, that food is travelling farther and farther from field to table, that farmers are struggling to survive, and that inner-city residents are having trouble accessing retail grocery stores.

Food security is not a reality yet for any of us, and so that's why we have the food charter which asks our municipal government to take active steps to enhance food security in such areas as production, justice, health, culture, and globalization. And in order to face a complex challenge like food insecurity, governments need tools to work with that will allow them to meet locally identified needs and goals. And so food charters are one tool and one that's being recognized as useful in a number of areas. So Saskatoon isn't the only municipality in the



province with a food charter. Prince Albert also has one, and the Melfort-Tisdale area has one. In addition the Saskatoon Health Region is working on developing a food charter, and the Saskatoon Catholic school board has also started to talk about one.

But our concern is that under TILMA, these food charters would essentially be rendered meaningless, and we have examples of this from other trade agreements. Right now under NAFTA, Canada is being challenged for restricting sales of lindane which is a pesticide that's banned by 50 other countries. And we've also seen examples in Mexico where the country's being ordered to pay millions of dollars in compensation for declaring an ecological reserve.

And areas that have been identified under TILMA as vulnerable to challenge would be things like health clinics, nursing home regulations, rural development policies, municipal zoning regulations, support for small businesses, measures to prevent urban sprawl. And in fact a professor of economics from the University of British Columbia, John Helliwell who's an expert in internal trade, has stated and I quote:

In general, the combination of unrestricted access to the dispute mechanisms combined with a commitment to neutrality of treatment would make almost any provincial or municipal programme subject to attack.

So it's difficult for us to see how in this type of environment the food charter could be implemented. So I'm going to give a few examples of some of the areas that we fear would be at risk.

The food charter recommends that, for example, the city adopt food purchasing practices that serve as a model of health, social, and environmental responsibility and that support the local rural economy. So for example, the city might decide that in offering contracts for concessions at city facilities, they would favour providers that were providing healthy foods or local foods. We can see how this would help the local economy, support local farm families, and also promote the health of city residents. But we fear that this type of regulation would be subject to challenge under TILMA and other jurisdictions seem to agree.

In British Columbia, before signing TILMA, the provincial government was looking at an innovative preventative health care initiative whereby sales of junk food in schools and hospitals would be banned. After signing TILMA, they grew afraid that these bans could offend TILMA provisions regarding barriers to investment, and so they backed off and instead asked for voluntary compliance from the companies.

Also, at the University of Victoria, they've been having round-table discussions about the possibility of having a local food purchasing policy on campus. And again concerns were expressed whether such a policy would be possible given the environment under TILMA.

Some other examples of possible problems with food charter recommendations would be, say, protecting agricultural lands. Right now, the city of Saskatoon has an agreement with the rural municipality of Corman Park that the valuable agricultural lands along Valley Road are protected from urban development,

but would this be seen as a barrier to investment under TILMA if developers grew interested in those lands?

Another example is in the area of community gardening and urban agriculture which is another recommendation of the food charter that the city support such activities. However under TILMA, land use designations that would require set amount of green space, like community gardens, are problematic and so is directed spending for support such as small businesses like urban agriculture.

We can also see how support for training and income generating programs that promote food security within a community economic development model could also be vulnerable to challenge, and that's to say nothing about regulations regarding pesticide levels or other aspects of food safety that could also fall under this agreement. So our concern is basically that the entire food charter could be rendered meaningless in an environment where TILMA was in place.

**Ms. Veillard:** — Now you're probably thinking, oh we've got all these exemptions and legitimate objectives, and there are these things built into TILMA to help us maintain the ability to make these kinds of good regulations that are good for health. And we recognize that these exemptions do exist. However no new exemptions can be added following the ratification of the agreement, and the existing exemptions are supposed to be evaluated every year with the goal towards eliminating them. This effectively makes them temporary, so we have temporary exemptions.

It's unclear even whether Saskatchewan would have any power to negotiate some additional ones or additional ways of looking at the ones that exist. Or are we just being asked to sign this agreement as is? So I think the exemptions we have to consider yes, they may be around for a little while, but eventually the plan for TILMA is to get rid of them.

It also provides for this list of legitimate objectives, and these are objectives that I think are, you know they sound really good. They're fairly broad — health and environment and things like that — but they're really not . . . they just say that if your regulation is being challenged, you can defend it based on these legitimate objectives. It doesn't mean that if you have a legitimate objective that you can have the regulation you're trying to put forward. The tribunal will have to decide on this, and this tribunal will not be looking at whether this policy improves the quality of life, whether it improves fairness, justice, sustainability. It's merely whether the policy is a legitimate objective and if it meets it in the least trade-restrictive way possibly. Essentially freedom of trade trumps all other considerations. This definitely runs contrary to our thinking in Saskatchewan here.

As the city of Saskatoon's solicitor has noted in her report on the agreement, there's "a fundamental problem in trying to reconcile local choice with the TILMA concept of standardization and harmonization." The examples that Janice has given you in BC have indicated that agreement has already created an environment in which legislators are afraid to legislate.

I don't think this is an accident. We recognize that TILMA's

express purpose is to be for interprovincial trade. It's an interprovincial agreement about interprovincial trade. But in fact it's supported by the current federal government. And the rest of us — Saskatchewan and the other provinces — are being encouraged to sign on. The real agenda here seems to be deep integration — namely the security and prosperity partnership of North America — which would see Canada harmonize all of its public policy, almost every part of its public policy with the United States.

In order to implement that agreement, we need significant deregulation, much of it in areas that are affected, that are under the jurisdiction of provincial or municipal governments. And the federal government of course would be powerless to revoke those regulations. So we think this is the reason for TILMA, and it would eliminate this little bother.

TILMA is actually counter to the basis of Canadian governance. We talked about how government has been put forward to address issues at the lowest possible level of government, and we think that putting investors' rights over this is going to challenge this.

The emphasis also . . . I want to talk a little about innovation. It seems like it could put a freeze on innovation, on social innovation. Canada's medicare system, for example, probably could never have developed under TILMA. One province had to step out, take a risk, go on its own, make up an innovative policy with a lot of determination, and demonstrate to others that it was feasible and effective. I don't think this would happen now under TILMA.

We have other challenges that are starting to come to us now that we haven't been thinking about as much recently, but they're really coming to the forefront. You know, all cities in North America are grappling with the problem of the retail foods and access to retail food stores in urban cores. Local communities and governments are putting together ideas on how this market failure could be addressed. We might be even in the process of coming up with a great solution to this, an innovative, socially innovative solution. And we may never know if TILMA's going to stomp out our social innovation.

In fact you can't really listen to the radio or read a newspaper lately without seeing some of these food-related issues. They're all intertwined with sustainability and global warming and where we get our food, how it's processed locally. And I think there are whole areas that we haven't even thought about. And why we would want to shackle our hands and give ourselves less ability to regulate just when we're going to need it is hard for me to imagine.

Canada as a whole and Saskatchewan in particular have a proud tradition of active government that meets the needs of the people through strong social programs. I want to talk about the Charter of Rights a little bit. The Charter of Rights and Freedoms does not recognize property rights. And these were deliberately left out on the understanding that social rights had the priority over the rights of investors. We believe that our entire well-being is dependent on this tradition being upheld and that an effort such as TILMA to replace the voice of the community with the voice of investors just has to be stopped.

I'd like to conclude by telling you about how governments must govern. More than ever we need our governments to govern. The regulations that have been developed over the past century in this province and elsewhere represent progress, not hindrance. They represent progress in addressing market failures — market failures in areas such as fairness, equity, and environmental protection.

In fact it's probably time for us to go further. It's probably time for Saskatchewan to take a leadership role in developing an alternative to TILMA — kind of the opposite of TILMA — based on the values of community empowerment, fair trade, human rights and sustainability.

As the gap between the rich and the poor increases and we face unprecedented environmental challenges, citizens need government now more than ever to defend our right to our say in the matters that affect our lives. We can't afford to have government cede this right and this responsibility to the free market. Thank you.

**The Chair:** — Well thank you. You've obviously demonstrated passion for the input into the presentation. And we're going to open up to committee members to ask questions, beginning with Ms. Crofford.

**Ms. Crofford:** — I think there's a lot in a very few pages here — so thank you very much — a lot to think about. We had a speaker earlier today who talked about — or maybe it was yesterday — who talked about the prosperity from NAFTA, and yet you're identifying that the gap between the rich and poor increases. Has your group speculated on why that is? I know that's a big question.

**Ms. Sanford Beck:** — From my own perspective I would say that the prosperity perhaps has increased but that it's increased in certain quarters. And that's how the gap grows wider because in some areas or some people are getting much richer, but others are being left behind. And so the gap grows.

**Ms. Crofford:** — Okay. I was also interested in this quote you had just because I'm wondering . . . I've never heard anybody express governance this way before, which is interesting enough. But I'm wondering where you got this from. "Canadian governance is based on the concept that issues should be addressed by the lowest possible level of government." Is that a reference out of a particular book on governance or something like that?

**Ms. Sanford Beck:** — No.

**Ms. Veillard:** — It comes from our more general interpretation of the original Fathers of Confederation, I guess we'd call them, who gave rights to provinces and, you know, the way they constituted the . . .

**Ms. Sanford Beck:** — Yes, the divisions of power. It's interesting because now we're hearing also about downloading, how things are being shifted down which . . .

**Ms. Veillard:** — Well the . . .

**Ms. Crofford:** — Go ahead.

**Ms. Veillard:** — I was just going to say the costs are being shifted down but not always the responsibility. You know, we obviously have some issues there to deal with as well.

**Ms. Crofford:** — Yes, and I mean to me the issue you're dealing with here has to do a bit about people's feelings about whether they have a role in democracy and maybe whether they vote or not.

There is a question that I'll raise when we meet with the officials from BC. You said here it's unclear whether Saskatchewan would have the power to add to the list of exemptions or whether the agreement would have to be signed as is, and we don't know the answer to that either so we'll ask that question.

I think because my turn came up so quickly, if I have other questions at the end I'll add them on.

**The Chair:** — Mr. Chisholm.

**Mr. Chisholm:** — Good afternoon. I'd just like a couple of things just as a way of review. BC and Alberta, the method they chose to put this agreement into place was the governments themselves at the highest level — cabinet, premiers — decided that this was a good fit for their provinces, for their economy. And you've mentioned that there was no consultation at all. Well in fact there was a certain degree of consultation throughout the province.

But one of our last presenters just was here today from the city of Lloydminster or the Chamber of Commerce of Lloydminster, and I think tomorrow they're meeting with the Alberta Municipal Affairs people. That consultation process is in process for the next period of up to two years. So I think to say that an agreement was made and there was and is going to be no consultation . . .

**The Chair:** — Is there a question, Mr. Chisholm?

**Mr. Chisholm:** — Yes, there is a question. The approach that Saskatchewan has taken is the government actually met with Alberta and BC officials during this past fall and decided to have a study done for what the effect would be for the province of Saskatchewan. That was commissioned to the Conference Board of Canada, and the results were quite overwhelmingly that there was a definite economic impact for us belonging to the agreement, and also the possibility of creating somewhere in excess of 4,000 additional jobs in Saskatchewan. I wonder if you could comment on what our government's approach has been to date regarding this agreement and those numbers.

**Ms. Veillard:** — I think that when you look at somebody like the Conference Board's economic impact, the problem with that approach has been that it is only looking at the economic bottom line, and we are of the opinion that we have other bottom lines to worry about. We have the social bottom line. And so, you know, it is our argument that things that may appear to be the best thing for an economy aren't necessarily the best thing for a community. So the Saskatchewan approach that says go out and see what the community thinks would appear to be more democratic and more inclusive of more ways of looking at how you should evaluate something like that.

**Ms. Sanford Beck:** — I would agree with that. I mean, we appreciate the fact that our government is taking the time to consult with people, and as you mentioned, the municipalities are being consulted now. But in a sense it's too late. They've already been included in the agreement in Alberta and British Columbia so that discussion may be happening a little bit late. So we appreciate the fact that our provincial government is consulting now, and we hope that that consultation is broad.

We really like the fact that the city has asked their solicitor's office to look at what impact this agreement really would have upon the city's ability to govern. And so I think it would be ideal if the government was planning on doing something similar. And just in terms of the Conference Board report, I have certainly heard challenges about the numbers in those report, that people have asked where they've come from, and nobody's really had a good answer to that. So there have been claims anyways. And I'm in no position to say whether they're accurate or not, but there have been questions raised as to the accuracy of those numbers.

**Mr. Chisholm:** — Okay. Thank you. Another comment that was made was regarding the lowest common denominator concern, about that phrase. And in fact the bias in the agreement is to improve the quality of consumer, health, environmental, and other similar standards. The bias in their agreement is to actually move towards the highest common denominator. I wonder if you'd like to comment on where your comment . . .

**Ms. Veillard:** — I'll definitely support that if that's what it was in the agreement. It wasn't our understanding. Our understanding was that if someone challenged you from another jurisdiction that they could force you to a lower standard. And now perhaps we've misunderstood that. I can't really support it with a specific clause at this moment.

**Ms. Sanford Beck:** — I guess I'm curious to know how you see that in the agreement, because as Val was saying our understanding is that anything that is seen as a barrier to trade or investment could be brought before a tribunal. And even if something met what was considered to be a legitimate objective, it would have to prove that it was doing so in the least trade restrictive way possible. And so I'm not sure that what is the least trade restrictive way possible would be the way that was promoting the most health and well-being and environmental preservation.

**Mr. Chisholm:** — Well my comment just comes that the bias by the people that drew up the agreement was to achieve the highest common denominator, not the lowest common denominator.

**Ms. Veillard:** — I wouldn't mind seeing that. You know, if you could point that out in the agreement, I'd really like to take another look at that and see if we've . . .

**The Chair:** — Mr. Chisholm, do you have a reference in the section of the agreement that that comes from?

**Mr. Chisholm:** — I'll try to find it. I'm just referring to a BC document that I have.

**The Chair:** — Okay.

**Mr. Chisholm:** — I've just got a question on . . . Your interpretation of the elimination of exemptions, I think, is perhaps interesting. My understanding is that the exemptions that are there are not to be added to but that the clause that would indicate that there is a review to the point of not reducing the trade, labour, and free mobility of the agreement. Like it doesn't say that they will be eliminating exemptions. It says that they won't be adding exemptions and that they won't be more restrictive. Your interpretation was there is going to be an attempt to eliminate every . . . or that's what I gathered.

**Ms. Veillard:** — Our reading of the document is that the idea is to limit restrictions or exemptions. The idea is to have as few of these as possible and have them as least restrictive as possible. So every time they get reviewed, depending who's reviewing them, if one falls off the list you'll never get it back. So I think it, you know, it definitely goes towards the idea of gradually eating away at them. It's possible that in practice they'll never get deleted, but there's no guarantee of that.

Who's making those decisions? It seems to me that we're just opening ourselves to letting somebody else make those decisions, and I'm not sure we want to do that.

**Mr. Chisholm:** — Thank you.

**The Chair:** — We will have a question on that, but the wording of the agreement is that they would look at each other's qualification or standard and work toward reconciling differences, is the phrase used within the agreement.

Further questions of our presenters? Seeing none, we thank you very much. As I mentioned, you've had a passionate input to our committee today, and we appreciate that. We appreciate the work that you are doing in community for food security and thank you for taking the time to present to us.

**Ms. Sanford Beck:** — Thank you. And we do appreciate the opportunity to be here.

**Ms. Veillard:** — Very much so.

#### **Presenter: Regina & District Labour Council**

**The Chair:** — Our next presenter has made the committee in good time. From the Regina & District Labour Council, Terry Zahorski. Thank you, Terry, for agreeing to move your time up. And I know that you were heading down the highway just moments earlier, so we appreciate that you're ready to come before us in good time and good form.

As I've mentioned to other presenters, what we've done is allowed about 15 to 20 minutes for an overview presentation. And those comments that you'd like to have people hear through the audio streaming and/or to be recorded in our *Hansard* processes would be the comments that you would put into your verbal presentation.

Anything that's your written presentation or material that you want us to view as committee, the Clerk's office will make sure that is in hand of all of the committee members. And we appreciate that you've taken the time on behalf of your organization to come forward and present us with your brief.

And any time you're ready, you could begin. Thank you.

**Mr. Zahorski:** — Well thank you, Madam Chair. Thank you for allowing me to speak with you this afternoon. My name is Terry Zahorski. I am the president of the Regina & District Labour Council, and also a proud member of the Canadian Union of Postal Workers.

The RDLC [Regina & District Labour Council] is made up of 19 unions and 36 locals representing approximately 27,000 members. This equates approximately to around 50,000 voters in the city of Regina and surrounding district when you take into account those and their families who are also eligible to vote.

I would like to qualify my presentation by stating that I am not a trade expert, and would never profess to have any real in-depth knowledge of trade, investment, and/or labour mobility. I'm a trade unionist and a community activist. I care very much about the world we live in, and I'm very aware of politics and the political process.

As a father of two young children, I represent their interests, and I will work to hold politicians accountable — especially at election time — for the decisions they make will either positively or in some cases negatively impact the future for my children. One of the reasons I do what I do is to try and make this world a better place for those I love.

As president of the Regina & District Labour Council, some of the constituents I represent from the labour community provide a wide range of services to municipal, provincial, and federal governments, as well as the community in which we live and work. In addition I believe I speak on behalf of all citizens who believe in the principles of democracy and the rights of citizens as contained in the Canadian Charter of Rights and Freedoms versus corporate interests.

I would like to thank the Government of Saskatchewan for establishing this legislative committee. I commend the committee for hearing public presentations and accepting briefs. We feel this is a very democratic and progressive move made by our government. I also thank the Saskatchewan Party members for participating in a discussion on the subject of interprovincial trade and, to a greater degree, trade in general. This discussion is framed under a particular bilateral trade agreement called the Trade, Investment and Labour Mobility Agreement or better known as TILMA. This agreement came into effect on April 1, 2007, in the provinces of British Columbia and Alberta without any public consultations, with full implementation taking place on April 1, 2009.

I realize by now you've heard just about every statistic, rationale, and have gone up one side of TILMA and down the other. I realize that as a committee you are searching for answers as to whether or not to consider signing this agreement and if it is in fact in the best interests of the general public to do so. My presentation will not deal with any significant statistics or figures, but I will merely speak to the issue of the democratic process and question how we as a just society could in good conscience — even for one minute — entertain any thoughts of signing this agreement.

Let's be clear. The Regina & District and Labour Council is not against interprovincial trade, investment, or labour mobility. We are of the opinion that decisions on those matters should be left to democratically elected governments but not in the framework of the Trade, Investment and Labour Mobility Agreement that contains a dispute resolution mechanism that turns over the entire process to a bunch of trade lawyers to argue over the intent of words contained in the TILMA, while grandstanding in front of tribunals to determine whether or not something that the government introduced in the public's interest contravenes the language of TILMA.

TILMA is first and foremost in our opinion a tool to deregulate and usurp the powers of democracy at the municipal and provincial levels of government. If you, the Government of Saskatchewan, sign onto TILMA, you would be handcuffing yourselves when it comes to being able to maintain local decision making through the electoral process which is we all know is essential to democratic governance. As a result, you as a government would become ineffective and give away decision-making power as our elected officials and put it in the hands of a few backroom corporate elites to make decisions on the public's behalf.

The argument can be made that you still govern and make decisions but every decision you make that has to do with trade, investment, labour mobility, public services, local procurement, as well as many other areas that fall into TILMA's very broad and far-reaching structure can, and most likely will, be brought under scrutiny and subjected to a very extreme dispute resolution process. TILMA will undermine governmental authority, giving privilege to the private sector over the public good.

It is very important that elected officials remain thoughtful about giving up the rights of people to collectively make decisions above the rights of individual corporations. TILMA's focus, we feel, is on the private interest over public interest. This is very clear by recognizing that the investor-state dispute resolution mechanism will pressure democratically elected, responsible government to favour corporate interests over the protection of the public good.

For example we are concerned that there will be a trend to move away from putting forth any ideas of introducing new legislation favourable to workers or to society in general — the result of TILMA's requirement that all measures must meet the agreement standards instead of the will of the people. This would occur after punitive damages are awarded to those who are successful in sustaining their lawsuits under TILMA.

Therefore it could be said that TILMA undermines the democratic process by restricting the legitimate objectives that governments can pursue and limits the means that can be used to achieve those objectives. What TILMA represents is a far-reaching and corrosive restraint on the capacity of government to exercise good governance. This is evident by allowing private investors to challenge parties in front of an unrelated trade dispute panel with financial penalties up to \$5 million.

It should never be the right of corporations or individuals to challenge government policies through an unaccountable

system that parallels our judiciary system.

In closing I would like you to take away this thought which sums up my presentation to you this afternoon and, I submit, may be the most important point to be made at this hearing. Trade agreements should never ever be structured to work outside our democratic system, as is in the case of TILMA. Democracy was never intended to operate under the structure of a trade agreement, and the vast majority of the voting public agrees that it is a job of democratically elected government to respond to their citizens and their needs without the threat of corporate litigation.

Democracy is something that the voting public holds near and dear, and it should never be made an exemption in any trade agreement.

The government must serve as the voice of the people and protect the interests of the most vulnerable in our society. The Regina & District Labour Council asks this committee to come back with consensus on the recommendation that the Government of Saskatchewan realize that our democracy is not for sale and in no uncertain terms will they sign onto the Trade, Investment and Labour Mobility Agreement.

I will now end my presentation and make myself available for any questions or discussions you may want to engage in. Thank you very much on behalf of the Regina & District Labour Council for the opportunity to present on this very important issue in front of the citizens of Saskatchewan, many of whom will be voting in the next election to put officials like yourselves into office to represent the public good.

**The Chair:** — Thank you, Mr. Zahorski. I do have a speaking order starting with Mr. Yates.

**Hon. Mr. Yates:** — Thank you very much, Madam Chair. I'm going to start by asking a standard question I've asked virtually every presenter that's come forward in the hearings. As you know, today there are trade agreements both nationally and internationally. We have the AIT which is today at a working table with all 10 provinces and three territories. And of course now we have a proposed regional agreement, or we have a regional agreement between British Columbia and Alberta and the potential of a regional agreement between Ontario and Quebec. Would it be your organization's viewpoint that trade agreements in Canada should be looked at on a regional basis or a national basis?

**Mr. Zahorski:** — Thank you for your question. We believe that a pan-Canadian approach is of our best interests as a country, but not trade, investment, and labour mobility agreements. That's kind of where we are at that point as far as an agreement for a national strategy, but nothing that reflects that type of agreement even though I understand Mr. Harper is also looking at things like that as well. So we have to be very aware that we don't want to go down that road.

**Hon. Mr. Yates:** — Are you in favour of the AIT approach of negotiation and consensus over the TILMA approach?

**Mr. Zahorski:** — Well the AIT has been around for quite some time, and there are critics of the AIT, I suppose. But if you look

at it in terms of how it handles what's put before it, I think if it takes it in small bites, one thing at a time, the AIT has proven that it has been effective to a certain degree insofar that it does manage to handle quite a few of the problems that come before it.

**Hon. Mr. Yates:** — Thank you very much. That's all my questions.

**The Chair:** — Ms. Crofford.

**Ms. Crofford:** — Yes. I noted that you're with the postal service, and someone had mentioned to us that there is a challenge, I think it's under NAFTA right now. Now are you anticipating you would survive that challenge? And do you think you would survive that challenge under TILMA?

**Mr. Zahorski:** — Well let me explain the challenge just in a nutshell as I understand it. It's been ongoing for a few years now, and what's happened under the North American Free Trade Agreement, the Government of Canada is being sued by the United Parcel Service for claiming that we have a monopoly on the industry, and there's a lot more details that go into it. They'll also in the lawsuit . . . and I believe it's in the neighbourhood of \$160 million that Canada Post Corporation has also been named in it as well.

And it goes before the tribunal, and we tried to get objective standard . . . We tried to get into the proceedings to give our opinion with the Council of Canadians, and they refused us to speak on behalf of our members, of the postal workers.

**Ms. Crofford:** — So you had no standing there.

**Mr. Zahorski:** — We have no standing whatsoever. Basically what we're doing right now is we're standing back and crossing our fingers and hoping that the process can work itself through and that somebody in there has the ability to understand that we must protect our public postal services. And we're actually quite worried because if this goes through and we are in fact — Canada Post Corporation and the Government of Canada — sued for \$160 million, there is speculation that we may in fact lose the parcel service that we now have people working in for Canada Post.

**Ms. Crofford:** — We have a lot of private delivery companies. I just got a shipment actually from BC, that the person who sent it sent it through ATS [Andlauer Transportation Services] or something. Anyway, there are a lot that already exist in Canada. So what's the particular dispute about Canada Post because there are already a bunch of private services?

**Mr. Zahorski:** — Well they feel . . . UPS's claim is that they feel we're subsidizing the industry through other means with our letter delivery and our postage and things like that. We're creating an opportunity to keep it cheaper, keep it more cost-effective to the public through other arms of the postal service. So UPS sees that as an unfair advantage, and that's the challenge that they're levying.

And under TILMA . . . If we weren't a federally regulated corporation, under TILMA they could also, groups like DHL, I believe, and Tiger and some of the other ones that are . . .

Purolator probably wouldn't because Canada Post owns 90 per cent of Purolator. But other courier services would have that ability under TILMA to say that we have an unfair advantage. So that's sort of the scary thing that comes from . . . and it's very glaring and hits home as a postal worker.

**Ms. Crofford:** — Now I don't want to put you in an unfairly uncomfortable position, but what would be the difference in, for example, your pay and benefits and pension — in a general way — working with the Canada postal service compared to a UPS person? Do you know?

**Mr. Zahorski:** — To my knowledge I don't know which union represents the UPS workers. I'm not 100 per cent sure of that. But I know that some of the companies that are delivering like Corporate Express and Action Express are owned by private business, and the workers are paid substantially less. They don't have a collective agreement.

And for the most part, I unload some of these private couriers that come to the plant. I work in the plant in Regina and I unload mail. That's my job. I'm a mail clerk. And I often ask how things are going.

And for example one of the fellows does a run up to Hanley and back. He leaves at 5 in the morning and doesn't get back until 8 o'clock at night, Monday to Friday. And that's been his life since I've been there for 10 years. And he has trouble making ends meet. So sometimes when I'm feeling like I'm getting it rough on an eight-hour shift, I just think of him and think, oh my goodness. These are the things that we're looking at.

**Ms. Crofford:** — Yes. The reason I asked that question is just looking into it a little bit deeper, into what kind of circumstances generate the profits that are at issue here. So I'll just leave it at that.

**The Chair:** — Okay. Seeing no further questions, we thank you for your effort to be here and to provide the presentation in front of us and your forthright answers to the questions.

**Mr. Zahorski:** — Thank you, Madam Chair.

**The Chair:** — Safe journeys. We have been trying to reach Saskatoon & District Labour Council and Humboldt included. Are their members here now that represent those organizations and could give us an indication of the time?

Committee members, there were papers that Mr. Chisholm was quoting from, and there was also some material on paper that other committee members had. And so in looking at those, it was agreed that we could share that information, and it's being duplicated for us to have all of the information base to work from. We thank you for members to provide that to us.

**Ms. Crofford:** — Madam Chair?

**The Chair:** — Yes.

**Ms. Crofford:** — I did ask and maybe I should have asked it here for someone to try and get for me — because I didn't ask it officially of the committee — the motion that was put forward in the BC House that was defeated to debate TILMA. I'd like to

see what the debate was around that. It said BC in here, and maybe it is Alberta, but it just had said BC in the document we were given.

**A Member:** — In this last presentation?

**Ms. Crofford:** — It was from the food security one.

**The Chair:** — There was a motion in front of the BC Assembly by the New Democrats to have the TILMA agreement debated, and it was defeated. If you could ask . . .

**Ms. Crofford:** — If we could get a *Hansard*, I don't know why we wouldn't.

**The Chair:** — Humboldt as well. Humboldt and District Labour Council will come in with the last group. So it will be Saskatoon and Humboldt and District Labour Council. One member is here. They're trying to get their other members here in good order so maybe if we recess until 4.

[The committee recessed for a period of time.]

**Presenter: Saskatoon & District Labour Council and  
Humboldt & District Labour Council**

**The Chair:** — Well we always say last but never least. We welcome Saskatoon & District Labour Council and the Humboldt & District Labour Council, and ask them to come forward for their presentation.

Some new faces and some are not strangers to this committee. What I would do is say that we are allowing about 15 to 20 minutes for the overview presentation and your remarks. The remarks that you'd like to have recorded in *Hansard* and for our audio audience to hear, please to put into your verbal presentation. And any written material you provide to the committee is being provided to all committee members. We thank you for your effort to be here and the time and attention to your presentation. We'll open up for questions at the end of your remarks. So if you'd like to begin by introducing yourselves, we have all your names, but we'd like to put faces to the name and then when you're ready just begin your presentation. Welcome.

**Ms. Cameron:** — Hi. My name is Sharon Cameron, and I'm recording secretary for the Humboldt and District Labour Council. What we are going to speak today is exactly the same as your notes so if . . . You don't have to look at them. We'll be reading them.

To my right is Kelly Harrington. She's vice president of the Saskatoon & District Labour Council. Then we have Sandy Weyland who's vice president of the Humboldt and District Labour Council, and then Brian Nixon who is president of the Saskatoon & District Labour Council, and then Darla Leard who is the Canadian Labour Congress representative.

I'd like to start out by first thanking you for letting us speak to you today. The Humboldt and District Labour Council represents approximately 2,000 members in the vicinity of Humboldt and surrounding rural area. Saskatoon & District Labour Council represents approximately 17,000 members in

the Saskatoon and district surrounding area. These members have many family members and friends who are active within their community. We are presenting our brief today because of the implications of TILMA that TILMA could have on the lives of the working people and citizens in our communities.

**Ms. Harrington:** — Hi, good afternoon. One of the exemptions identified in TILMA under social policy is labour standards and codes. However the agreement is silent on The Trade Union Act which definitely could affect trade unions and other labour organizations such as labour councils.

TILMA will allow corporations to attack workers' rights currently protected under The Occupational Health and Safety Act, the Human Rights Code, and The Trade Union Act. Other provinces could object to Saskatchewan's labour laws on the grounds that our laws are more progressive and may be seen as a hindrance to profit. Labour law seen as a barrier to trade could be weakened through the annual review process or by dispute resolutions prescribed by TILMA. It is our fear that better-than provisions would be driven to the lowest common denominator.

Saskatchewan's heritage property Act could also become a casualty of TILMA. The Act is to provide for the preservation, interpretation, and development of certain aspects of heritage property. The Act empowers municipalities to designate properties as heritage sites requiring property owners to seek approval prior to making changes to such properties. Saskatchewan's heritage legislation could be attacked through TILMA as a restriction on investment that cannot be justified under the agreement as meeting legitimate objectives.

Local procurement policies exist to ensure a vibrant and sustainable economy. At this time, local governments have the ability to give preferences to local businesses. Under TILMA we believe the right to have this choice will be taken away from municipal governments, regional health authorities, school boards, and other publicly administered bodies.

For example if a local contractor was hired to work on a project and someone from another jurisdiction wanted to bid on that project, under TILMA they could possibly sue and be awarded up to \$5 million. Ultimately this is taking away from local governments the ability to hire local workers. Local economic development provides investors with incentives to expand within the communities in which they live and to ensure people have access to stable jobs.

TILMA does not restrict the number of complaints that can be brought forward against any specific government measure. The potential costs to governments for violating TILMA could be much higher than 5 million. An example would be school boards banning of pop machines from the schools. Under TILMA this could be seen as a barrier to investment, and school boards could be sued by corporations.

In terms of local food processing and distribution, under TILMA local communities would not be able to give preferential treatment to local suppliers. Tax breaks or local incentives would also not be allowed. Local governments could be challenged and sued if preferential treatment was given for local co-operatives to supply water, or if municipalities wanted to develop their own sources of energy.

**Mr. Nixon:** — Thank you very much for the opportunity to address you this afternoon as well. Since the Standing Committee on the Economy first commenced hearings on June 4, 2007, you have heard from many individuals and organizations representing a broad range of opinions regarding the Trade, Investment and Labour Mobility Agreement.

My part of the presentation will be from the perspective of community support and the importance of partnerships within the community. It may sound unusual for a labour organization to support business, but when it comes to long-standing partnerships, business and labour have continued our joint efforts in support of organizations such as the United Way.

In 1959, the Saskatoon & District Labour Council and the Saskatoon Chamber of Commerce came together to form the United Way of Saskatoon. As a partner, advocate and community builder, the labour movement has played a significant role in the development and the success of the United Way since its inception. This partnership is based on a shared vision of building a stronger, healthier community with a wide range of accessible, universal and high-quality social services accessible to all of its citizens.

The labour councils are concerned over the impact TILMA may have on our business partners. In the highly competitive world of business, various economic factors must be considered to ensure financial viability. Close attention must be given to labour, competition, markets, and industry trends in order for business to grow and prosper. Although there may be predators in place to assist owners in making the necessary business decisions, there are also factors over which business has very little control.

Business organizations like the Canadian Council of Chief Executives, the Canadian Chamber of Commerce, the Canadian Federation of Independent Business are critical of a controlled economy. They continue to clamour that the government monopolizes regulations and standards, procurement policies, subsidies, licensing requirements, and various forms of legislations or barriers to economic growth. They believe in an economy less controlled by government and more closely linked with the free market system, but they are referring to a free market system or a corporate market system.

To understand the economic theory of the real free market, consideration must be given to the meaning of the term. Depending upon your definition source, a real free market is an economic market in which supply and demand are not regulated, and are regulated only with minimal restrictions. As the real free market necessitates the government not interfere with supply, demand or prices, it also requires that traders themselves do not coerce or defraud each other. An extreme view of a free market system would oppose all forms of taxation, claiming that the market is better equipped to provide all valuable services including defence and law.

Economic theory does not always equate to economic reality, and a market that is really free would be the contrary to the current global trade and investment system. What exists today is a controlled market, one that has been imposed on countries and societies without their informed consent.

If we were to consider a real free market, it would be opposite of the Wal-Mart style of rezoning tactics, buyouts, predatory pricing, mass conditioning that now masquerades as free trade. In fact what exists is a corporate market system. Unfortunately such systems do not treat all businesses fairly, and in the world of business to be competitive, the singular rule to remain competitive is often difficult.

Through the Trade, Investment and Labour Mobility Agreement, TILMA, the provinces of BC and Alberta have decided to move into the corporate market system and encourage the rest of Canada to follow. TILMA provides this because of the top-down nature of the agreement, which includes all government entities, all government measures.

Of the measures allowed to remain, they will be subject to reduction and harmonization, as in article 5; and maintained only as legitimate objectives, which is article 6; and temporarily exempted and subject to the annual review, part V; or be part of the transitional measures, which is in part VI. TILMA provides little assurance that most of the protections and safeguards we demand of society will remain.

As a tool to support the corporate market system, TILMA also restricts the relationships governments have with business. The relationship between government and business is a significant component of the Canadian economy, as business and government rely upon each other for various products and services. The agreement places limitation on government procurement and business subsidies, and sees such practices as restrictions or impairment to trade and investment.

Regarding procurement, TILMA sets a new threshold which is significantly lower than the agreement on international trade. TILMA restricts governments from supporting local business and forces governments into tendering a greater volume of procurement throughout Canada. Local business, reliant upon securing government procurement tenders under the rules of the Act, may find it difficult to compete under TILMA, as a result suffer economic hardship. Our fear is that many businesses would not be able to compete on a national basis.

As an important economic factor in the community, local business supports the local economy and gives back to the community through such organizations as our United Way. Governments also rely on the ability to provide support and targeted subsidies towards various economic initiatives. Whether it is economic development for a specific part of a community, support for housing, tax abatement in order to entice a business, these form part of a sustainable and viable economy.

TILMA sees the practice of providing subsidies as discriminatory and restricts them with only a few exceptions. Without the opportunity to provide subsidies which support local business, governments would be losing a significant element to economic growth in their communities, and the labour councils are losing a social justice ally. TILMA would damage communities and the programs which support those communities.

**Ms. Weyland:** — Public Services. TILMA provides an instrument for attacking government policy and law. It also



limits the role and capacity for government to provide public services. TILMA gives private parties the right to challenge the regulations, programs, and funding arrangements that provide the foundation upon which public and social services depend. Challenges such as the one mounted by Drs. Chaoulli and Day to Quebec's medicare system will likely proceed under TILMA rather than costly litigation before domestic courts. TILMA offers a much broader grounds for mounting these attacks, and they would also have the prospect of winning a substantial amount of money as well.

Environmental issues. The environmental exceptions within TILMA are limited and vague, putting all kinds of policies designed to protect our health and the earth into question. Regulations regarding air quality are at risk as are restrictions on tourism and recreation activities and development in ecologically sensitive areas. Municipalities that want to control the use of pesticides or to implement other restrictions could only do so if they can prove they are legitimate. Going to court to prove this could become very costly for municipalities.

**Ms. Leard:** — TILMA and Aboriginal people. The prevailing consensus is that Saskatchewan's Aboriginal population is enjoying economic growth with reduced unemployment rates and increased labour force participation. This is according to the Statistic Canada's report on *The Aboriginal Labour Force in Western Canada 2001- 2005*. Increasingly Aboriginal people view economic development as fundamental to reshaping their social outcomes and are requesting that this area be afforded much greater priority by governments generally.

The provincial and federal governments must take meaningful investment in Aboriginal economic development, and I believe governments understand at least on some level the need to commit to long-term strategies and policies that ultimately work for the greater good of all citizens. A hand up and not a hand out as said in the March 2007 standing Senate committee on Aboriginal people.

So how, so how does the trade and investment, labour mobility agreement, TILMA, respond or relate to my opening comments? And the more important question would be, what does TILMA mean for Aboriginal people and their long-term economic development perspectives?

TILMA in my opinion will restrict government intervention and support in Aboriginal initiatives at least in the long term. I am aware that, by way of an exemption under part V, measures related to Aboriginal people for now at least are excluded. These are extremely vague, undefined wording. The exception itself is little comfort since these exceptions will be scheduled for annual review with the intention of reducing the scope of the exemption as stated in section 17.1. It is important to recognize that little to no research has been done on the potential effects of this agreement to Aboriginal people. And so I come here today with more questions than answers.

As you are all aware, as governors and leaders, in Saskatchewan our Aboriginal population is young and growing, and the potential labour capital we will see in this province over the next couple of decades will put us no doubt at a competitive advantage unlike our neighbours to the west and other parts of the country for that matter. Also unlike other provinces, I

believe what keeps us uniquely Saskatchewan is our high regard for our people which includes our high standard of democratic principles. Signing an agreement like TILMA would quite frankly undermine the very social fabric in which this province was built.

I believe it is completely irresponsible for any government to sign away the democratic rights of its citizens and sell them off to the lowest bidder. Those in favour of TILMA lead people to believe that Aboriginal people, social policies, and education are exempt from the agreement, but as the Council of Canadians appropriately put it, "the greatest strength of the case against TILMA is that it is entirely based on the wording of the agreement itself."

So if that is the case, it is no wonder that I was left scratching my head after attempting to read this agreement. This agreement was written with a striking lack of detail, making it difficult to interpret for the average citizen. This is most worrisome. For instance social policy is broadly exempted, but what does that really mean?

And I've already referred to Aboriginal people being included in the list of exemptions, but again what are we really talking about in this broad definition of a people? Should I take that to mean that there will be no effect to Aboriginal people economically, politically, socially, or otherwise? I don't believe that will be the case as I read this agreement.

I would like to draw your attention to Professor Eric Howe, department of economics, University of Saskatchewan who was quoted saying in his research that:

Federal and provincial governments provide funding for many social and academic programs for thousands of Canadians, including aboriginal and non-profit organizations. The impact of TILMA on these areas could be devastating.

Professor Howe also goes on to say:

At this juncture the social advantages to signing TILMA appear to be slim to none. The potential disadvantages, however, appear to be enormous.

Furthermore according to the Saskatchewan Institute of Public Policy 2006 article entitled, "Identifying Potential: Saskatchewan with an Aboriginal Majority," it states:

The spring's Saskatchewan Budget has increased support for Aboriginal students through several initiatives, including in-come support, grants, scholarships and bursaries. The 2006 federal Budget included improving education outcomes as one of the objectives for the federal government's \$450 million increase in direct spending on programs and services for Aboriginal peoples across the country, along with improving water supplies and housing on reserve and improving the socioeconomic conditions for Aboriginal women, children, and families.

My question is simple. Will programs and initiatives like this be a thing of the past under a TILMA agreement? I suspect this type of government investment will in fact be a thing of the past

because of the simple fact that it would be challenged under TILMA as a restriction on investment.

In my opinion TILMA is simply a tool for deregulation which will have an enormous effect on Aboriginal people. Deregulation will prevent Aboriginal communities from governing themselves in areas such as procurement and preferred hiring practices, not to mention the broad impact we could see in the area of economic development such as further development and investment of urban reserves, government partnerships, job strategy initiatives, and more broadly the responsibility of the feds with respect to First Nations rights under treaties and the Indian Act.

Furthermore what does this agreement mean for Aboriginal people in the North? I wonder if we will continue to see federal-provincial partnerships where governments commit to coming together like we've seen recently with the northern job placement initiative. Will TILMA bring with it foreign workers to our North because it's more convenient for oil companies to recruit workers by those means rather than developing and investing in our northern residents? Simply put, TILMA will inhibit the most vulnerable members from participating fully in our society.

In conclusion the Trade and Investment, Labour Mobility Agreement puts individual corporate rights over collective rights of the citizenry. At the surface, this arrangement may appear to be fine. However when we start factoring how public policy designed to enhance our vulnerable populations and regions can conflict with narrow private investments, there are many concerns that you should consider. I urge this government and this committee to say no to TILMA because it's bad for Aboriginal people. It's bad for families. It's bad for citizens, and it's bad for our governments. Thank you.

**Ms. Cameron:** — In summary our fear is that TILMA could affect almost every aspect of our lives. Water, shelter, education, recreation, health care, finance, and education are some examples of what would be at risk.

A TILMA obligation is the prohibition on existing and future government measures that operate to restrict or impair trade, investment, or labour mobility unless such measures are exempt under the regime. Because measures is defined to mean "any legislation, regulation, standard, directive, requirement, guideline, program, policy, administrative practice or other procedure," almost any decision that any government body makes can be challenged under TILMA. The assumption is being made that TILMA could be adjusted or negotiated to make municipalities fit. Our concern is that it is equally possible that TILMA cannot be adjusted to make cities and communities fit. So the question is, do we want TILMA, or do we want local choice which we believe is the democratic choice?

While there is the option to opt out of the agreement after two years, this also could become costly. Chapter 11 of NAFTA allows corporations to sue for loss of profits for potential lost profits. This could cost our government billions of dollars.

TILMA has been presented as a way to remove barriers to interprovincial trade, investment, and labour mobility. We attest

that labour is already mobile. Where professions require a different set of credentials in different provinces, the risk is that the province would have to harmonize the requirement to the lowest common denominator, therefore causing a race to the bottom.

In conclusion we are urging you to turn down this agreement. We elect officials on every level of government and think that these are the people that should be making the decisions and are accountable on what happens to working people and citizens in this province. On behalf of the Humboldt and Saskatoon District labour councils, I would like to thank the committee for the opportunity to share our concerns and express our perspective on TILMA. Thank you.

**The Chair:** — Thank you once again for the presentation. I do have a speaking order: Mr. Yates, Mr. Chisholm.

**Hon. Mr. Yates:** — Thank you very much, Madam Chair. I'm going to start by asking the same question I've asked of every presenter over the some 47 or 48 presentations so far. Today we have in Canada the Agreement on Internal Trade, the federal agreement with all 10 provinces and three territories involved. We have now a regional agreement called TILMA involving Alberta and British Columbia. We have the prospect of another regional agreement between Ontario and Quebec. In your opinion, what is the appropriate way for the provinces to look at issues of trade between the provinces in Canada? Is it on a regional basis, or should it be on a national or pan-Canadian basis?

**Ms. Harrington:** — We all have the same answer, I think.

**Ms. Cameron:** — I guess our perspective is not TILMA. Under AIT rules concerning labour mobility, there is a lot of things that are already built in there — mutual recognition agreements, Red Seal programs that are allowing labour to be mobile. So our preference would be to go under the AIT.

**Hon. Mr. Yates:** — Thank you very much. My second question has to do with the issue, and I think this is the first time we've had raised the issue, of the potential impact on Aboriginal people. And although there is at first an exclusion under TILMA, of course, we don't know what that means . . . or an exemption under TILMA. We don't know what that means in the long term.

And you've raised some interesting concerns about government investment. Where we do invest money in areas where we may be in competition with the private sector if we were involved in an agreement like TILMA? Are you aware of any of the services that are currently provided through government funding in the province that would be provided through private companies or organizations in either Alberta or British Columbia?

**Ms. Leard:** — Okay. Sorry. Say your last part again, Mr. Yates.

**Hon. Mr. Yates:** — Are you aware of any of the services that we provide through government funding here in Saskatchewan that are provided through private organizations in Alberta or British Columbia?

**Ms. Leard:** — In Alberta or British Columbia. No. I'm sorry; I'm not. You know, again it's just it's so new, and it's so unresearched at this point that, you know, I couldn't tell you.

**Hon. Mr. Yates:** — All right. Thank you very much. Those are all my questions.

**The Chair:** — Mr. Chisholm.

**Mr. Chisholm:** — Thank you, Madam Chair. Good afternoon. Mr. Yates just brought up the fact that it was one of the first times that we had had Aboriginal peoples or Aboriginal affairs brought up in this discussion. And I think the fact that it is the first general exception of both parties to the agreement and says, "measures adopted or maintained relating to: Aboriginal peoples," I think it's pretty clear that the two parties have exempted Aboriginal peoples from the parts of the agreement that would affect them through this agreement. I guess that's maybe just a comment.

**Ms. Leard:** — Well again just, you know, going back to what I said in my comments is that for now it's exempted. Aboriginal people are exempted. But what that means more broadly in the long term, we don't know, right? And by saying Aboriginal people, you know, referring back to my comments again, what does that mean? You know, they're so, you know . . . Are we talking about, you know, again politically, socially? Like what are the broader impacts to the Aboriginal community? In terms of their economic development and as a people even, like I said, in terms of treaties and special rights that Aboriginal people are given, we just don't know. Or I just don't know what the broader effects, I guess, there will be to Aboriginal people in the long term.

But it's exempted now. I recognize that. But my point is that for now it's exempted, but we do know that . . . you know it's been said that, you know, you want to reduce the number of exemptions not add more exemptions. So at some point I think that's going to have to be addressed, and I know Aboriginal people will probably be at the short end of that stick for sure.

**Mr. Chisholm:** — Someone referred to Professor Howe's report. In the report that was prepared for the Government of Saskatchewan by the Conference Board of Canada, there were some numbers derived or resulted in their study indicating that there would be an increase to the GDP [gross domestic product] of the province of approximately \$291 million and an increase in new jobs of approximately 4,400 jobs.

Professor Howe, in his comments regarding that report, believes that those numbers are probably understated and that the impact is even greater than that. I wonder if you'd like to comment on the projected impact for the province of belonging to such an agreement, both in relation of increasing the economy and increasing the number of jobs, if somebody would like to comment.

**Ms. Leard:** — I'm the one that referenced Professor Howe, and the only part that I referenced in his report . . . Because quite frankly I don't agree with his report more broadly, and there are things that, you know, I would challenge I guess as to his predictions I guess. The part that I referenced was specific to Aboriginal people, and that is the part that I do agree with in his

report. But as for projections in the GDP and job growth . . . and I mean Alberta and BC are saying the same things of course that, you know, there's going to be, we're going to see a, you know, a market shift, and the GDP is going to be thriving. Workers are going to have jobs. I mean it's just going to kind of fix both provinces economically, you know, and otherwise. But I don't quite frankly agree with that, but I mean again I'm just referencing his points in regards to Aboriginal people. But I know other people have read his report, and maybe they want to comment because . . . Sharon.

**Ms. Cameron:** — I'll just refer to your remarks about how they believe there's going to be — what was it? — 4,000 new jobs and our economy was going to thrive. I believe when we're competing with provinces like BC and Alberta that are much larger, that have way more population than us, I don't really see how we can compete. I don't know where we're going to get 4,000 people to work. We're beginning right now to get professionals like doctors and nurses, but those nurses and doctors are coming here because of grants and subsidies that are being given to them. And after TILMA comes in, those will have to quit, and we're going to lose that advantage.

**Ms. Weyland:** — And just to add on to your comments because you were referencing the Conference Board of Canada, and I believe Erin Weir from his previous presentation, other speakers have explained the methodology they feel was flawed when they arrived at the numbers through the Conference Board of Canada study. And I'm not going to dispute it or anything. I'm just going to refer you to Erin Weir's comments and how he explained the methodology of why they feel those numbers aren't correct.

And also there's an article about "Relentlessly Progressive Economics." And Patrick Grady, one of the former senior financial official and leading mainstream economist, has weighed in on this as well. So I think the Conference Board of Canada's numbers have been disputed by several people, and the methodology has been explained and also in this room as well. So I'm not going to get into that, but I just wanted to add that on. And thanks for the question.

**Mr. Chisholm:** — Just one more. I just noted in your report that it was mentioned that there is a two-year opt-out provision in TILMA. I believe it's actually 12 months if you check the report. Thank you.

**The Chair:** — Ms. Weyland, you mentioned you had some follow-up information that a committee member asked you last meeting time. If you'd like to put that to us now and then we'll go to the speaking order again.

**Ms. Weyland:** — Oh, are you referring to my comment about Mr. Iwanchuk's question as to about the LPNs [licensed practical nurse]?

**The Chair:** — Yes.

**Ms. Weyland:** — Yes. In regards to labour mobility, one of the things I neglected to mention yesterday . . . we were discussing the credentials needed to move from province to province, and I just wanted to provide the information that, as of last September, our LPN program in this province has incorporated

all of the requirements that are now needed in Alberta, such as the pharmacology assessment and the IV [intravenous] infusion course. So our credentials should be even matched now with Alberta's, so there won't be any mobility issues if new LPNs coming out want to move to Alberta. They should have the same credentials. I'm from the old, old school, so I had to upgrade.

**The Chair:** — Thank you. On our speaking order, Ms. Crofford.

**Ms. Crofford:** — Back to the task the minister's set for us when our committee was struck to hear from presenters . . . was to identify what the actual barriers were to trade and whether TILMA was the best solution. And so we've gone off, down a lot of different paths, but the thing that we still have not achieved much clarity on is specific barriers in trade, specific barriers in investments, specific barriers in labour mobility.

Now from my part I think I'm not concerned about the labour mobility. I think the AIT has that well in hand. The trade issue, Saskatchewan probably has probably the leading or second leading reputation in Canada as a trading province. The one that probably is the most difficult to get a handle on is the investment part.

But what I'm going to link this question to is northern BC, because northern BC is an area where there's a lot of Aboriginal people who do not have land . . . do not have treaty. So therefore there's a lot of unresolved land use in northern BC. And my question is whether or not they've been consulted in BC, whether you know if they've been consulted in BC about the impact this might have because there's a lot of resource extraction and logging and whatnot in northern BC.

**Ms. Leard:** — To my knowledge, no. They haven't been, and again I have to keep going back to my remarks. I was really, really, really struggling to find information, and I did try and do as much extensive research as I could. I'm not that familiar — going back to Mr. Yates — I'm not that familiar with Alberta and BC, so I struggle with that. But I did try to find as much research as I could that had been done on the potential impacts.

And I am aware that yes, you're right, they are not covered under treaties and still to this day are struggling to resolve that issue. Yes, for sure. But no, I'm sorry; as far as I know there has been no consultation, and it would be interesting to see if, you know, in the future we can hear from some of those Aboriginal communities that have been affected.

**Ms. Crofford:** — I have to say I'm not even sure if our committee reached out to the Aboriginal community to say there's an agreement here that could conceivably be of interest to you; are you interested in presenting? I'm not sure that we did that, but I'll leave that for a committee question.

The next thing is, people have mentioned this Dr. Chaoulli case a couple of times. Does anybody have a little more information on what that's all about?

**Ms. Cameron:** — I believe it was two years ago Dr. Chaoulli went to court and sued the Quebec government. He wanted to be able to jump the queue and have private health care. He

wanted to go to private health which wasn't allowed at that time, and so he went and sued the Quebec government and won his case which has kind of opened up the door to privatization. Anybody else?

**Ms. Weyland:** — Well I don't think I'll go any further because I was actually in the room yesterday when Mr. Shrybman explained the Chaoulli ruling so that was quite . . .

**Ms. Crofford:** — And do any of you . . . You're all connected with a lot of different workers, a lot of different professions. Do you know of any current labour mobility issues that are not near resolution?

**Ms. Harrington:** — With respect to your last comment, no we're not familiar with any real barriers when it comes to labour mobility.

However I'd like to comment on your previous comment regarding consultation, and that is one thing we'd like to commend this government on is allowing these public hearings to occur and seeking input from the public and allowing this process. It is one of the, I guess, concerns that our brothers and sisters have in the labour movement in BC and Alberta is that they didn't have the opportunity to review this. They didn't have the opportunity to express their concerns. So I would really like to thank this government for allowing us that time and to spend the resources necessary to hear what the people of Saskatchewan have to say on this matter.

**Ms. Crofford:** — Every once in awhile there's a sudden appeal of democracy, and this seems to be one of those times. Thank you.

**The Chair:** — I take that as not being a question. Mr. Stewart.

**Mr. Stewart:** — Thank you, Madam Chair. And thank you for your presentation. I have myself serious reservations about this deal. But in your presentation, you've presented what I think could charitably be described as a doomsday scenario, choosing the worst possible scenario in every instance.

I wonder, could you answer this question for me? Do you think the people of Alberta and BC would tolerate these kinds of calamities in their society? Do you think that that'd be good politics for the governments of Alberta and BC to implement something like that if it's going to be anywhere near as negative as you think it is? Now what do you think about that?

**Ms. Harrington:** — Well my comments around that would be, time will tell. When I met in Toronto in March with labour activists from across Canada, the representatives from Alberta and BC had yet to feel the impact of TILMA and were just starting to grapple with the issues and trying to understand the direction that their provinces were going in. So I think that is something that we're going to have to measure. And whether or not their constituents will accept that or not will be determined perhaps through the next election process.

**Mr. Stewart:** — Thank you. I just wanted you to think about that.

**Mr. Nixon:** — Just one more, Mr. Stewart. I had the

opportunity of just spending the last three weeks down in Calgary wearing one of my other hats. We've spoken a couple times this morning that, because TILMA is new in the other two provinces, there's a lot of things that we don't know about it yet. And so it is out here that it's like a little scary for everybody.

Spending time in Alberta, I just spent a lot of time with the building trades council out in Calgary, and I spent a lot of time with IBEW [International Brotherhood of Electrical Workers] 424 in Calgary. They are already facing issues that they're approaching the government to deal with that have already been referred back to the TILMA agreement. They don't know where it's going to go, whether it's — to use your term — sort of the doomsday situation or not. But just in the three weeks that I was down there, those unions are already facing some issues that are out there — and those workers — some issues that are there that were not there until this agreement was signed. And all of a sudden, now it's cropped up in the background.

And I don't know the full information on it because I was busy working on another project when I was down there. But I know there was one issue in regards to the immigrant workers, and that is rapidly coming to the surface in Alberta. And then that is directly reflected back to this agreement now. And my apologies for raising that and not having the backup information on there, but I just wanted to . . . That's what they talked about when we were down there. They consistently went back to that issue, sir.

**Mr. Stewart:** — That's part of the problem. This is still a work in progress, and there are lots of unanswered questions, granted.

**Ms. Weyland:** — And just also to add on to that, Mr. Stewart, the problem with BC and Alberta is they didn't have a say in all this. The governments signed this agreement without any consultation as what we are having now, so for the people of these provinces, they didn't have a say in this, so they had absolutely no public hearings or anything like we're having now, and we are very thankful we're doing this.

And unfortunately many . . . Now that they've already signed it, now we're hearing more stories of mayors and municipalities in BC and Alberta coming out, especially in BC, saying you know, maybe we don't like this, and we'd like to opt out of it.

And I don't have any information for you today. But if you'd like some of those articles, I probably can access the SFL and get those for you because I get emails daily on more and more groups that are learning more about this agreement now, are finding out that they don't want it, and now how do we get out of it? The provinces signed on, and these local governments have had absolutely no input into this.

And it's unfortunate Mr. Weekes isn't here because — while we're on this issue — we talked yesterday because you talked about, well we could sign on and negotiate later. And this was raised yesterday in the presentation I was at, and I would just like to refer you to a piece of information I just found out today about this. And it actually comes from Roger Gibbins who is the president and CEO of the Canada West Foundation. And I'll just read you what I've got here:

Gibbins is adamant that BC and Alberta must ensure "that an expanded TILMA is not a diluted TILMA. If TILMA expands to include Saskatchewan and/or Manitoba, this should take place without side deals and special exemptions. The two provinces should be invited to join, but not rewrite the agreement that is already in place. [And] Premier Campbell has made it clear that this is his stance."

So to me for you to negotiate any little side deals or special exemptions other than what's in here is going to be very difficult. And also, you know, keep in mind that the exemptions that we already have, they're up for renewal annually and with the idea of making the scope reduced which to me makes everything under those exceptions vulnerable to being removed eventually. So that's kind of why we're painting the doomsday picture to tie it all together.

**Mr. Stewart:** — Yes, and that's why I asked you the question: do you think it would be good politics for Alberta and BC to implement something that's as bad as you think this is? And I think somewhere lies a middle ground, but none of us knows where that is yet. That's all I have.

**The Chair:** — Seeing no further questioners, we thank you individually and as a group for bringing forward the information. You've brought forward at least two interesting additional pieces of information — one on the Aboriginal area and exemption and again the further information on the Canada West and British Columbia's stand. If you do have any information, next week we'll be reconvening to talk to officials in Alberta and British Columbia, and we'd welcome any information that you have. That'd probably be the final date before it would have an impact on the report writing. Ms. Crofford.

**Ms. Crofford:** — Could we get the source of the Gibbins quote and the . . . It's not in your presentation, eh?

**Ms. Weyland:** — No.

**The Chair:** — Could the Clerk have that?

**Ms. Weyland:** — Yes, I'll give you this. I only have the one copy though, so if you'd be able to . . .

**The Chair:** — The Clerk will get that distributed to all committee members. Again thank you for the time that you've taken for your presentation and your candour in response to questions. Everyone have safe travel. Thank you.

Committee members, the hotel is very full. They're not prepared to extend a checkout time for us tomorrow. Our Clerk is mentioning that if you could check out before you come down to the hearings in the morning, please. So before 9 if you can check out, you could bring your bags here, and we'll make certain there's a place for them in the corner. Or you could take them down to the concierge. But there won't be an extension past the noon time, and we won't be able to get back into our rooms before then. The other thing you could do is quietly take a turn and go and do your checkout if it's a later time than that, but before noon.

We will see you back here tomorrow morning for the first presentation, 9 a.m. Thank you again for your deliberations.

[The committee adjourned at 17:03.]